

CANADIAN FRONTIERS OF SETTLEMENT

IN NINE VOLUMES

Edited by

W. A. MACKINTOSH AND W. L. G. JOERG

*I. Prairie Settlement The Geographical Setting*  
By W. A. MACKINTOSH

*II. History of Prairie Settlement and Dominion Lands Policy*  
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VOLUME II

HISTORY OF PRAIRIE SETTLEMENT  
AND "DOMINION LANDS" POLICY

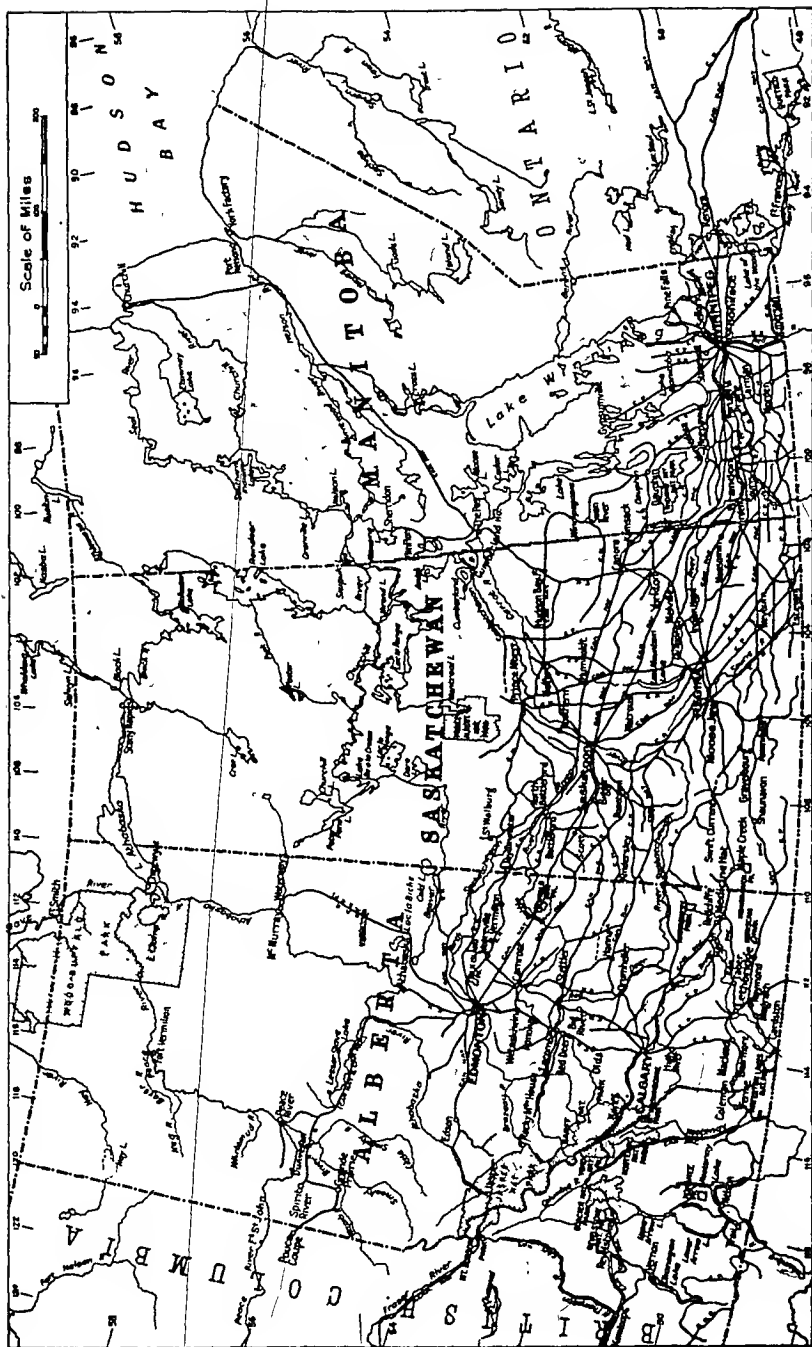


FIG. 1.—General locational map of the Prairie Provinces of Canada showing the principal rivers and lakes, the provincial boundaries, the chief towns and the railways (based on the map in *Agriculture, Climate, and Population of the Prairie Provinces of Canada*, *A Statistical Atlas Showing Past Development and Present Conditions*, prepared under the direction of W. B. Hurd and T. W. Grindley, 1932, Ottawa, Dominion Bureau of Statistics—hereafter referred to as *Statistical Atlas*).

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SETTLEMENT

BY

ARTHUR S. MORTON

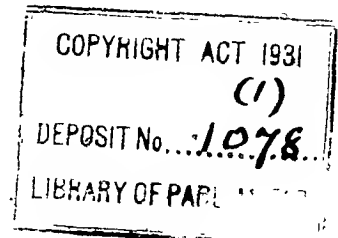
*Professor of History, University of Saskatchewan*

"DOMINION LANDS" POLICY

BY

CHESTER MARTIN

*Professor of History, University of Toronto*



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By A. S. MORTON

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By CHESTER MARTIN

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## FOREWORD

Though the historical view has been by no means neglected in the other volumes in this series, it has there been partial and incidental; in this and in Volume III, it is given its fullest expression. The themes of this volume are experiment and evolution, the development of the circumstances and the tools by which prairie settlement was effected.

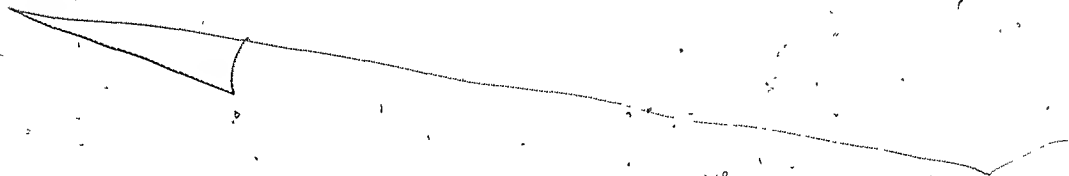
In his fresh and original account of the development of prairie settlement, Professor Morton discloses some of the results of his extended and detailed researches in the history of the prairie region. But he does much more than this; he advances and supports a thesis as to the prerequisites of successful settlement in this region, and in doing that he tells a dramatic story of the adaptations of transport, productive technique, and agricultural produce which courage and ingenuity made. His interpretation of this period will undoubtedly become standard.

Professor Chester Martin's study is focused on the free-homestead system as a land policy. His case is that of a grassland region where the free homestead had its greatest chance of success. He is fortunate in being able to analyse the development and working of this type of land policy from its inception in Canada to its disappearance. As history, his study is one of Dominion policy on a front that was of dominating importance for half a century. As a contribution to this series, it describes an essential and determining link in the process of settlement.

W. A. MACKINTOSH



PART I  
HISTORY OF PRAIRIE SETTLEMENT





## PART I

### PREFACE

The requirement for this monograph was that it must be essentially factual. A factual account of the settlement of the Northwest involves great geographical and chronological detail. This is not necessarily a misfortune for has not Scaliger said: "Geography and chronology are the two eyes of history"? Accordingly stress has been laid on the physical, more especially the climatic features of the country, on the area being occupied at a particular time by the settlers, on the transportation facilities to hand, on the problems which had to be faced if there were to be successful settlement, and on the extent to which these problems were solved. As the details of the geography of the spacious West are little known even to those living under the prairie skies, a series of maps has been prepared which, it is hoped, will ease the task of the reader, and throw light on the progress of settlement.

As the development of the agriculture of the Prairie Provinces owes much to the farmers' institutions, these have been brought into the picture and, as these institutions have been fostered, especially in the twentieth century, by the departments of agriculture of the Dominion and the several provinces, the governmental administration of agriculture has been briefly dealt with. Here the writer has to acknowledge with sincere appreciation the assistance of Mr. F. H. Auld, Deputy Minister of Agriculture for Saskatchewan, and Dean Shaw of the College of Agriculture in the University of Saskatchewan. Any merits in this part of the sketch are due to the material which they have been good enough to place at my disposal. The demerits are mine. The writer is also under great obligations to Professor W. A. Mackintosh, of the Department of Economics, Queen's University, for a valuable supervision and correction of his manuscript.

ARTHUR S. MORTON





## INTRODUCTION

The history of the Canadian Northwest falls naturally into two periods. In the one, attention is concentrated on the fur trade; in the other, on settlement and agriculture. Each of these periods envisages its own Northwest. The fur-traders' Northwest was really the great forest belt which extends from Lake Superior northwestward to the Rocky Mountains (Fig. 3). Its swamps, rivers, and streams, bordered by willow, aspen, poplar, and birch, were the natural home of the wood-eating amphibious beaver. The traders' problem of transportation to this distant country was solved by the many rivers which led from Hudson Bay or Lake Superior, as the case might be, into the vast forest belt, and by the use of the Indian's canoe, so easily transported over the portages, past falls and dangerous rapids, or from stream to stream. The fur-traders only envisaged the prairie Northwest in the light of their problem of transportation. Its vast buffalo herds afforded the pemmican which was necessary to provision the brigades of canoes on their long and necessarily swift journeys from and to their wintering grounds. The traders followed two principal waterways. The one ran from Lake Superior at Grand Portage, and later at Fort William, through Rainy Lake and Lake of the Woods to Lake Winnipeg and thence to the several beaver regions—the Assiniboine, Swan, Red Deer, and Saskatchewan Rivers, and to the Churchill, Athabaska, and Peace Rivers, and the valley of the Mackenzie. The other was from Hudson Bay by the Hayes River and Oxford Lake to Lake Winnipeg, and so to the various wintering grounds as above. A feature in the solution of the problem of transportation was the high value of the articles of trade and their small bulk—furs, going out, and guns and ammunition, gaudy clothes and blankets, and "high wines," i.e., alcohol in a highly concentrated form which was afterwards watered down for the savage consumer, coming in. Thus the fur-traders solved the problems of their business in the Northwest. They found a natural and abundant product of high value, and they learned to bring it out to the markets of the world on a paying basis.

In the second period of the history of the Northwest, the prairie region monopolized attention. As seen from afar, it offered a

very fertile region, unencumbered by forest, and therefore capable of being brought immediately under the plough. The problem of transportation to this distant Eldorado could now be solved by railways. It was assumed that, when these were built, rapid settlement would take place. The possibility of varying climatic conditions, which might render former methods of agriculture unremunerative, was ignored. The story of the settlement of the Northwest begins with an ignorant optimism, passes on to disillusionment and even to despair, then shows the adjustment of the settlers' methods of farming to the necessities of the climate; it ends with what might be called a modest victory over nature and a prosperity moderated by the vagaries of the climate and of the price of wheat in the world market. Looked at in one light, the history of the settlement of the West is a phase of the long struggle of man to conquer nature. A brief study of prairie conditions is therefore necessary for the true perspective of the history of the settlement of the country.

Captain Palliser, who reported on the Northwest for the Imperial Government in 1857 to 1860,<sup>1</sup> was the first to describe it as a succession of prairie levels—(1) the ancient bed of a lake, now the low valley of the Red River (2) the higher steppe which stretches from the Pembina ridge, the Riding, Duck, and Pasquia Mountains, marking the bank of the above lake, to the Coteau de Missouri, the Elbow of the South Saskatchewan, and the Eagle Hills—and finally (3) the highest level running westward to the Rocky Mountains (Fig. 2). From our point of view Palliser's attempt to define the limits of the true prairie is more illuminating. Judging by the deeper deposit of mould which he believed was due to the leafage of a forest that had passed away, he drew a line south of the valley of the Battle River, crossing the South Saskatchewan north of the Elbow and curving southwestward across the Qu'Appelle River west of the Fishing lakes to Moose and Turtle Mountains. This he called the "northern limit of the true prairie" (Fig. 4). He drew the line of the "southern limit of the true forests" north of the North Saskatchewan, crossing the two branches near Duck Lake and curving southward to cross the Assiniboine below Fort Pelly. Palliser's view, supported in a measure by H. Y. Hind, who explored the country in 1859 for the Canadian Government, was that the country between the true limits of the prairie and of the forests was a fertile belt, while the land south of it was semi-arid. This

<sup>1</sup> See, in this series, Vol. I, Chaps. I and II.

view greatly influenced the course of affairs in the first decade after the Northwest was admitted into the Dominion. From our point of view its interest lies in its conception that the prairie area is by no means a unit, that, on the contrary, it involves varieties of soil and climate.

Nothing, however, could bring it out more distinctly that there are variations of physical conditions on the prairies than the observation of the precipitation of moisture in the several parts, for it is the scanty net precipitation which accounts for the true prairie. By net precipitation is meant the moisture left for plant life after deducting from the rainfall the water that flows off the surface, say in the downpour of a thunderstorm, and the moisture which passes away by evaporation due to the dry atmosphere and hot winds of the plains. On the prairie the net precipitation is so low as to be disadvantageous for the growth of forests. Trees transpire moisture through their leaves. On the prairies during the summer the winds are so hot as to cause an excessive transpiration—so excessive as to constitute too great a draft on the moisture in the soil. Not so with the grasses, which include the cereals. Their leafage resists transpiration. Their roots are near the surface, so that they can make the most of even a light summer shower. Moreover the variation of the precipitation through the summer is altogether in favour of the grasses. "Generally about 5 per cent. of the annual [precipitation] falls in April, 12 per cent. in May, 15 to 20 per cent. in June, the same in July, and 10 per cent. in August. About 60 to 70 per cent. falls from April 1 to August 31, and approximately one-half of the annual amount in June, July, and August.<sup>2</sup> There is enough moisture in the soil when the snow disappears to allow the seed to germinate. In the comparatively dry month of April the demand of the grasses for moisture is at its minimum. As the demand increases with growth, the precipitation increases and, on the average, suddenly declines at harvest. As many visitors in the early days noted, it is an ideal climate for growing grain, and the dryness of August and September makes it ideal for harvesting.

The truth of this general picture must not be allowed to cloak the fact that there are great variations in the precipitation from April 1st to the 1st of September.<sup>3</sup> First of all, the average rainfall

<sup>2</sup> *Agriculture, Climate, and Population of the Prairie Provinces of Canada. A Statistical Atlas showing Past Development and Present Conditions*, prepared under the direction of W. B. Hurd and T. W. Grindley (Ottawa. Dominion Bureau of Statistics, 1932), p. 11.

<sup>3</sup> See, in this series, Vol. I, Chap. IX.

in these months over a long number of years shows definite zones (Fig. 4). The zones of average precipitation must not, however, deceive us. The average is worked out for a stretch of years in which the variation is very great. Allowance must therefore be made for years much below the average, for years of drought, in fact. Moreover, in any one year great variation may be experienced in the precipitation within the same zone. The early settlers came under the delusion that the whole prairie area, except perhaps the arid south, enjoyed what we may call a uniform wheat climate. In their minds, the railways would solve the problem of the West—the problem of transportation. No allowance was made for the variations of rainfall, nor for occasional devastating droughts and frosts. In this dry, and in many ways hostile, climate they farmed as they did on their humid and mild home-lands; the result was failure—what may almost be described as a general failure. With the adaption of their methods to the new land came success, at least a success tempered by occasional years of hardship. When farmers in their periods of prosperity, and they have been many, have banked against the years of difficulty, when they have, so to say, built their house on the bed-rock of the physical conditions of the land, the years of depression might come as it were in a flood, and still their home withstand the assault of the hostile elements.

## CHAPTER I

### SETTLEMENT AND AGRICULTURE IN FUR- TRADING TIMES

#### *I. Introductory*

STRANGE as it may seem, the idea of effecting a settlement somewhere on what was known as the Northwest Passage existed in a vague form when the Passage was no more than a dream and the country on its shores unknown. Martin Frobisher's first voyage (1576) was an attempt to find a route to the rich marts of Asia round the northern limits of the American continent. The discovery of what appeared to be gold deflected the expeditions of 1577 and 1578 from the original purpose. However, Frobisher believed that the inlet which now bears his name, to which he had confined his mining operations, would lead to the Pacific Ocean and to China. The failure of his ventures to yield gold in any quantity and the consequent loss to his "Cathay Company" stayed further exploration. Next year Francis Drake was on the coast of California. He refitted his ships, possibly in San Francisco Bay, and, under the name of New Albion, he took formal possession of the land in the name of the Queen. While the narrative of the journey does not describe the delectable climate of the region, the memory of it lingered with the English people. Interest in the Northwest Passage was revived by Juan de Fuca's mendacious assertion that he had entered a 'broad inlet of sea, between 47 and 48 degrees latitude' and had sailed for twenty days 'sometime North-west, and North-east and North, also East and South-eastward' into the North Sea. De Fuca offered to guide the English by this passage from the east into the Pacific Ocean. This legend was known in London in the first decade of the seventeenth century in circles interested in navigation and may have contributed to the exploration of the region within Hudson Strait. At any rate a succession of navigators, Henry Hudson (1610), Thomas Button (1612), Jens Munck (1619), Luke Foxe and William James (1631), delineated the shore of Hudson Bay, and Foxe even entered Foxe Basin without finding the entrance of a passage to the Pacific. It seems more than probable that back of this search for the Western Sea lay the dream of a colony on the northerly route to China.

In 1670 the dream of a Northwest Passage revived in a new form. Groseilliers and Radisson had penetrated into the Cree country in the northern forest belt with the object of tapping the beaver furs at their chief source. They probably passed from Lake Superior at Michipicoten to the Missinabi and Moose Rivers. Certainly they visited James Bay at its extreme southerly limits, and they seem to have returned by the Albany River. Their voyage without a licence got them into difficulties with the authorities at Quebec. Groseilliers attempted to induce the officials in France to countenance a trade from the mother country with the shores of Hudson Bay, but in vain. He and his associate now put themselves at the disposal of the English, and the first voyage of the Ketch *Non-such* proved that a profitable trade in peltries could be established through Hudson Strait. Groseilliers and Radisson, who had many of the characteristics of the successful company promoter, told the Englishmen that, while enjoying the trade in furs, they might penetrate through the continent to the Pacific. The instructions to Captain Gillam of the *Non-such* ran in part:

You are to have in your thought the discovery of the passage into the South Sea and to attempt it with the advice and directions of Mr. Gooseberry [Groseilliers] and Mr. Radisson, they having told us that it is only seven daies paddling or sailing from the River where they intend to trade into the Stinking Lake [Green Bay on Lake Michigan] and not above seven daies more to the straight wch. leads into that Sea they call the South Sea, and thence but forty or fifty leagues to the Sea itselfe.<sup>1</sup>

Accordingly, the promoters of the enterprise had the charter which was granted to them on May 2, 1670, under the title of The Company of Adventurers of England trading into Hudson's Bay (the Hudson's Bay Company), drawn up to envisage much more than a trade in peltries. It granted them all the rivers, straits, and lakes, which they should discover beyond Hudson Strait and the right to create a colony to be known as "one of our plantations" and to be called Rupert's Land. The machinery for the government of the colony was provided in the charter, much on the lines of the Virginia Company.

The Hudson's Bay Company established its posts at the mouths of the greater rivers flowing into the Bay—the Rupert, the Moose, and the Albany, on James Bay; and, in 1682, Fort Nelson on the estuary of the Nelson near the spot at which Thomas Button had

<sup>1</sup> *State Papers, Domestic*, Charles II, 1668, No. 251/180.



FIG 2—Relief map of the Prairie Provinces (*Statistical Atlas*). The lines numbered in the legend represent on the map: 1, the western boundary of the Precambrian Shield, 2 and 3, respectively the boundaries between the first and second and between the second and third prairie levels (i.e., the Manitoba Escarpment and the Missouri Coteau)



wintered. Although these posts were in an unoccupied region they drew northward the peltries of the forest belt which had been passing from tribe to tribe southward down to the French on the St. Lawrence. Hence a bitter trade war, the most dramatic feature of which was the capture of the posts on James Bay by an expedition under De Troyes and Iberville overland by way of the Ottawa and Abitibi Rivers (1686). With only one post, Fort York on the Hayes, the substitute for Fort Nelson on the Nelson nearby, the English company found it necessary to make up for the lost posts by increasing the volume of furs passing through it. Accordingly Henry Kelsey was sent inland. He passed over 35 portages and 5 lakes to the Saskatchewan below the present The Pas, and from his base, which he called Deering's Point after the Deputy-Governor, he twice visited the prairies which are the main interest of this monograph. In view of the nature of his mission and the long journey in a small canoe carried over 35 portages, Kelsey may be excused for not regarding the open plains which he visited from the point of view of settlement. His whole attention was given to inducing the Indians to refrain from war, to devote themselves to trapping beaver and to bringing the peltries to the fort on the Bay. In any case, open war broke out between England and France and the Bay was the scene of an intermittent struggle between the two nations for its possession. While the French had the better of the war at the mouth of the Nelson, the English held their recaptured Fort Albany till the victories of Marlborough in Europe and the Treaty of Utrecht established for good their claims to the Bay (1713). The struggle between the two nations for the peltries of the forest belt of the north now entered a new phase. La Vérendrye came west from the St. Lawrence and Lake Superior and entered the forest region by way of Grand Portage. He and his subordinates built Fort St. Pierre, on Rainy River near the lake of the same name (1731); St. Charles on Lake of the Woods (1732); Fort Maurepas on Red River near Lake Winnipeg (1734); Fort la Reine, on the Assiniboine, near the present Portage-la-Prairie (1738); Fort Dauphin on the Mossy River near Lake Winnipegosis; and Fort Bourbon on Cedar Lake (1741); and finally, Fort Paskoyac near the present The Pas, on the Saskatchewan (1749). Here was a complete occupation by the French of the hinterland of Hudson Bay, and of the region from which the Hudson's Bay Company drew its furs. It precipitated a crisis for the English company.

A charter, such as gave the Hudson's Bay Company a monopoly of the trade of Rupert's Land and of the possession of the soil, was not a mere piece of royal favouritism. It imposed duties on the company. Out of its own resources it must create the trade of which it had a monopoly and establish the colony for which the charter provided. Failing this the charter might be quashed on the ground of *non-usor*. About the trade there could be no manner of doubt, but what about the colony? Unfortunately for the Adventurers they came upon climatic and physical conditions which were hostile to anything like settlement. It could not have been long before they became aware that Radisson's waterway to the Pacific was a myth. To penetrate into the interior involved the almost insuperable difficulty of transportation. The posts were accordingly confined to the shores of the Bay. The settlements were no more than factories manned by the servants of the company. Some attempts were, however, made to engage in an agriculture which should contribute to the life of the posts. Gaps in the minutes of the company prevent us from following its agricultural activities closely. At any rate there is an entry on May 16, 1674. "Ordered that the [following] be provided . . . a bushel of wheat and of rye, barley, and oats, or a barrel of each in caske, such sorts of garden seeds as the Governor shall advise." In the first letter of instructions to a governor overseas extant, dated May 29, 1680, it is stated that garden seeds are being sent out, and swine to be propagated on Hayes Island, on which Moose Fort stood. In the following year the letter to Governor Nixon runs: "We have sent 1 he Goate & 2 she Goates, 1 sow with Pigg which we have done in hopes thay will increase in ye Country & be of use & comfort to our people which is a thing that deserves your utmost care as well for the Good of the Factory as for the ease of the Compa. in the business of Provisions." In 1683 Governor Sergeant was instructed "to try to the Utmost if you can grow anything in that Country." To this end seeds and grain were sent. Some time later cattle were sent out. It may be taken that the Company made a serious attempt to promote agriculture in those inhospitable regions, particularly at the posts on James Bay. To rivals of the company who, as it proved, hoped to secure a similar monopoly from the government, its failure to establish agricultural settlements in the area of its monopoly offered the opportunity of getting the charter quashed on the grounds of *non-usor*. An Irish pamphleteer named Arthur Dobbs and a

disgruntled Hudson's Bay servant, Joseph Robson, became the mouthpieces of the rival interest. Dobbs' charge, that the company knew the route to the Pacific but kept it concealed, stands refuted by the subsequent history of the search for the Northwest Passage. His charge, that the country from the Bay to the borders of Pennsylvania though capable of cultivation had been deliberately left unsettled and untilled, likewise falls to the ground. That part of Canada remains largely a land of swamps, rocks, and forests, to this day. But, when coupled with the accusation that the lethargy of the company had enabled the French to penetrate into this promising region and to lay claim to the interior of the continent, the charges won a ready hearing with the imperialists of that age. They secured an enquiry by a committee of the government into the state of the Hudson's Bay Company. Arthur Dobbs found a number of old Hudson's Bay Company servants, who, of course, had never been beyond the shores of the Bay, ready to testify to the fertility of the region, and especially of the interior which they had never seen. For example, Matthew Sergeant bore witness that "there were vast tracts of land fit for cultivation." One Richard White bore testimony that the Governor at Albany had a garden in which peas, beans, turnips, and sallad [lettuce], grew as good and plentiful as in England; but he never knew seed raised in that country sown again; that he saw a small quantity of barley growing near Moose River in August which, he said, was two months before the cold weather set in. Joseph Robson testified to eating peas and beans at York Factory. He thought wheat would mature in that latitude, but the company had not encouraged agriculture. The committee reported (1749) "On consideration of all the Evidence laid before us, by many Affidavits on both sides . . . we think these Charges are either not sufficiently supported in point of Fact, or in a great measure accounted for from the Circumstances of the case."<sup>2</sup>

It is perhaps worth noting that Arthur Dobbs and his friends are the first in a long succession of groups which, though absolutely ignorant of the Northwest and of the problems imposed on its settlers by its physical conditions, were none the less certain that it could easily be brought into cultivation and support a large population. Their method of argument may be illustrated by Joseph Robson's statement: "It appears . . . that notwithstanding-

<sup>2</sup> Report from the Committee Appointed to Enquire into the State and Condition of the Countries Adjoining to Hudson's Bay and of the Trade Carried on There, *British Parliamentary Papers*, 1749, p. 286.

ing the unspeakable advantages to be obtained by planting and settling these countries, the climates of which are not worse than Sweden, Denmark, Russia, Poland, and North Germany; yet the Company have not made, nor encouraged to be made, any one settlement or colony."<sup>3</sup>

The French fur-traders from Montreal entered the Northwest at Grand Portage, on Lake Superior immediately south of the international boundary. They built their posts under much milder skies than are found at Hudson's Bay, but they did little more in the way of agriculture than the Hudson's Bay Company. La Vérendrye cleared a field at Fort St. Charles on Lake of the Woods and planted Indian corn, but we hear no more of the French tilling the soil. However, when Alexander Henry the younger in 1808 passed up the Saskatchewan, he spent the night of August 31st at the site of the post of The Chevalier de la Corne, at the present La Corne, north of Kinistino, Sask., which was established in 1753. He reports the memory of some sort of agriculture at the post:

At six we camped at the spot where the French formerly had an establishment called Fort St. Louis, built by St. Luc de la Corne in a low bottom on the S. side, where some years ago were still to be seen remains of agricultural implements and carriage-wheels. Their road to the plains is still to be seen winding up a valley on the S. side.

The Indians of the neighbourhood even today call the spot *Necha-me-ka-gi-kanis*, said to mean "where we first saw vegetables grow." This is probably the first spot in Saskatchewan and it may be in the Northwest (always excepting York Factory by the Bay) cultivated by Europeans. It seems probable that, when the French discovered that they could provision their incoming canoes with corn from Michilimackinac, and their outgoing craft with dried meat from the prairies, they lost their interest in agriculture.

The English fur-traders, who entered the Northwest from conquered Canada about 1668 when the plan for regulating the fur trade was set aside and all restrictions were removed, followed the practices of the French and paid little or no attention to agriculture. However, in the brief description of the country given by Sir Alexander Mackenzie in his *Voyages* (1801, p. lxxv), he refers to the fertility of the soil in the region west of Lake Winnipeg, adding: "Wherever any attempts have been made to raise esculent plants, &c. it has been found productive." In 1792 at the "Old

<sup>3</sup> Joseph Robson, *An Account of Six Years' Residence in Hudson's Bay* (London 1752, p. 63)

Establishment" on Peace River a little above Boyer River, Mackenzie found a garden in cultivation.

In the summer of 1788, a small spot was cleared at the Old Establishment, . . . and was sown with turnips, carrots, and parsnips. The first grew to a large size, and the others thrived very well. An experiment was also made with potatoes and cabbages, the former of which were successful; but for want of care the latter failed. The next winter the person who had undertaken this cultivation, suffered the potatoes, which had been collected for feed, to catch the frost, and none had been since brought to this place. There is not the least doubt but the soil would be very productive, if a proper attention was given to its preparation. In the fall of the year 1787, when I first arrived at Athabasca, Mr. Pond was settled on the banks of the Elk River [the Athabaska River, about forty miles from the lake of that name], where he remained for three years, and had formed as fine a kitchen garden as I ever saw in Canada. (p. 129).

In 1801, Alexander Henry, the younger, had a garden at his post on the Red River, south of the Pembina River and immediately south of the international boundary.<sup>4</sup>

Ap. 14, 1803. Men working at the new ground, and manuring the garden. . . . May. 7. I planted potatoes, turnips, carrots, beets, parsnips, onions, and cabbage-stalks for seed. Sowed cabbage seed. . . . Oct. 17th. Snow. I took my vegetables up—300 large heads of cabbage, 8 bushels of carrots, 16 bushels of onions, 10 bushels of turnips, some beets, parsnips, etc. 20th. I took in my potatoes—420 bushels, the produce of 7 bushels, exclusive of the quantity we have roasted since our arrival [from Fort William] and what the Indians have stolen, which must be at least 200 bushels more. I measured an onion, 22 inches in circumference; a carrot, 18 inches long, and, at the thick end, 14 inches in circumference; a turnip with its leaves weighed 25 pounds, and the leaves alone weighed 15 pounds. The common weight is from 9-12 pounds without the leaves. . . . Oct. 27, 1804. The men have gathered the following crops: 1,000 bushels of potatoes (produce of 21 bushels); 40 bushels turnips; 25 bushels carrots; 20 bushels beets; 20 bushels parsnips; 10 bushels cucumbers; 2 bushels melons; 5 bushels squashes; 10 bushels Indian corn; 200 large heads cabbage; 300 small and Savoy cabbages. All these vegetables are exclusive of what have been eaten and destroyed since my arrival [from Fort William].

Henry also kept chickens.

These vegetables grew in the rich loam of a low bottom, or lower bank, of the Red River. When Henry removed with "her ladyship," as he calls his squaw, and family to Fort Vermilion on the north bank of the North Saskatchewan opposite the mouth of the Vermilion River, Alberta, and on the third prairie level, his gardening was less successful. His post was on a higher bank of the river and in a drier region. In 1809 his turnips did well, but his 80 bushels of potatoes were "but small and watery. The hard dry soil is

<sup>4</sup> E. Coues, *New Light on the Early History of the Greater North-West* (Harper, N.Y.), Vol. I, p. 186.

unfavourable for them, being in the plains where no wood has grown" (Oct. 9). When he removed to the new White Earth House, at the confluence of the river of that name, his ill-success continued. "June 26, 1810. Frost last night froze all our potato-tops and this morning's sun has levelled them to the ground . . . whether from the nature of the soil, or because our gardens were not properly cultivated, the ground not having been well broken up, I cannot say but apparently nothing will come to perfection this season." Henry was learning by experience that the climatic conditions of the upper Saskatchewan were different from those of the Red River. This difference between the lowest prairie level and the two upper levels, as we shall see, will prove crucial for the development of agriculture in the Northwest. Henry's barley failed or was destroyed by horses. However, he mentions barley at Fort Augustus (at the present Edmonton). This is the first mention of barley growing in Alberta. As the posts built by the Canadians from Montreal and the brigades of canoes travelling in and out did not depend on any agricultural produce for provisions, but lived on the country, on wild rice, on venison, and above all on pemmican, the cultivation of the soil at the forts got little beyond kitchen gardens. Even these would not be very general, but would depend on the leisure and the taste of the gentleman left in charge during the summer. No more was aimed at than a little added comfort to life at the post.

It was much the same at the posts of the Hudson's Bay Company. Their first post in the hinterland of York Fort was Cumberland House, built on an island formed by Cumberland Lake and what was then the course of the Saskatchewan, in 1774. It is not clear when the garden there was commenced. Philip Turnor, the Company's surveyor, sojourning at the post before starting on his exploration to Lake Athabaska and Great Slave Lake in 1790, mentions his spending time working in the garden. The next post built by the Company was Hudson House (1779), about twenty miles as the crow flies west of Prince Albert. In the spring of the second summer during which the outpost was occupied, the ground was dug "to sow barley in" (Hudson House Journal, May 10, 1783). Manchester House was built in the autumn of 1786 on an island in the Saskatchewan in sect. 18, tp. 49, range 21, west 3, about fifteen miles, somewhat west of north, from Paynton, Sask. A garden was started in the following spring.

In 1810 there was a garden at Hudson's Bay Company's Brandon

House,<sup>5</sup> the first of that name. The post stood in the north-easterly quarter of sect. 19, tp. 8, range 16, west 1. on the left bank of the Assiniboine River, 2 miles above its confluence with the Souris. The journal of that date mentions melons, cucumbers, potatoes (458 Kegs). In the spring of the following year the post was removed to the right bank of the river six miles up (NE  $\frac{1}{4}$  sect. 35, tp. 8, range 17, west 1). It was from this last site that potatoes were sent to Selkirk's colony in the autumn of 1812.

The gardens at the posts of the traders were incidental to their trade in peltries. They would help to tide over the recurrent times of scarcity at the posts and make life somewhat more tolerable. Much the same part was played by the occasional diminutive herds of cattle to be found at a few of the posts. The Hudson's Bay Company's posts on the Bay were the first to enjoy this luxury, but cattle were also to be seen at Fort William on Lake Superior, at the North West Company's post Lac la Pluie on Rainy River (2 miles below the site of Fort St. Pierre), and at Fort La Souris opposite Brandon House. It was from the third post of this last name, opposite the second Brandon House as above, that Peter Fidler in 1813 secured a bull and two cows for Lord Selkirk's colony on the Red River. The first beasts must have been brought in as calves in the canoes. They would be taught to jump in and out, and would be driven over the portages.

## 2. *The Founding of Lord Selkirk's Colony on the Red River*

The first proposal of a colony on the Red River was made by Lord Selkirk to the British Government in 1802. Alexander Mackenzie had been wintering partner in Athabaska for the North West Company, and had explored the river called after him to the Arctic ocean in 1789, and by the upper Peace River, the Fraser, and the Blackwater, he had reached the Pacific in 1793. His object was to find a means of escape from the cost of the long line of transportation from London *via* Montreal to distant Athabaska. He was in search of a waterway to an open port on the Pacific. After his explorations, he was eager to enter the Pacific fur trade and to pre-empt it for the British. This could only be done successfully in the first instance by the use of the short route by Hudson Bay, and the right to this waterway could only be won through a union of the North West and Hudson's Bay Com-

<sup>5</sup> *Selkirk Papers*, Vol. 62 (Transcripts, in The Public Archives of Canada, of letters of Lord Selkirk and of Miles Macdonell, the governor of his colony, and others, and of the Journal of Brandon House).

panies under an imperial charter. These ideas are embodied in his *Voyages* published in 1801. It is not clear what directed Lord Selkirk's attention to the Red River; certainly his scheme reflects that of Mackenzie at certain points. Selkirk had already paid much attention to agriculture and was deeply interested in finding a cure for the distresses of the lower classes. He believed that the cure lay in emigration. Greatly moved at the poverty of Ireland, as he saw it on a visit in 1801 after the rebellion and the union, he offered his services freely to His Majesty's Government if it would establish a colony on the Red River, exclusively for Irish Catholics.<sup>6</sup> He argued that the agitators would be the first to emigrate and would thus leave Ireland at peace, and that their prosperity in a new colony of their own race and creed would bring them contentment and stay all agitation. The colony was to be established on the banks of the Red River,

a Country which the Indian Traders represent as fertile and of a climate far more temperate than the Shores of the Atlantic under the same parallel and not more severe than that of Germany and Poland. . . . The Soil and Climate are similar to those of the Russian provinces, which supply most of Europe with Hemp, and on which, after the experience of the late war, this Kingdom cannot with prudence rely.

The line of transportation to this colony must be through Hudson Bay and by the Nelson River. The cost of transportation will be too great for an export of wheat, but the high value of hemp will make it a profitable product for the colony. The greatest impediment will be the monopoly of the Hudson's Bay Company but, if the country were thrown open, fees for licences to engage in the fur trade and duties on the goods of the colony would provide a proper compensation to the stockholders of the company. The total revenue would probably be equal to the usual dividends and leave enough to support the government of the colony. Moreover (and here the influence of Mackenzie seems to come in), the fur-traders entering the country by Hudson Bay would carry their trade to the Pacific: "they would extend their traffic from Sea to Sea, through the whole Northern part of America and send home more than double the value that is now derived from that region". The Government's reply was that they could not undertake a scheme of emigration and, as to the fur trade, "There is such a thing as *salutary neglect* which in such cases beats all the care in the world." So this interesting scheme was wiped off the slate.

<sup>6</sup> In Series Q (transcripts), Public Archives of Canada, Vol. 293, pp. 1-84; 165-185; 256-258.



Sir Alexander Mackenzie and his associates, Edward Ellice of London and Duncan M'Gillivray, who was now in the firm McTavish, M'Gillivray and Co., agents of the North West Company, continued in their efforts to get into the trade of the Pacific. In 1806 Simon Fraser explored the Fraser River to the coast and that year David Thompson began a line of posts in the valley of the Columbia, which was devised to lead to a depôt at the mouth of that river. To solve the transportation question and secure the Hudson Bay route Edward Ellice had tried, but without success, to buy up the stock of the Hudson's Bay Company (1804), and in 1805 Mackenzie and M'Gillivray offered that Company on behalf of the North West Company £2,000 a year for the use of their short route through the Bay. It was almost certainly with a view to bringing the English company to terms that a campaign of violence was inaugurated in the interior by the North West Company which intimidated the Englishmen and the Indians and dried up the streams of furs flowing to the English posts. By 1808 the stock of the Hudson's Bay Company which formerly sold at £250 was reduced to £60. Mackenzie now aimed at buying shares enough to control the Hudson's Bay Company but as the Governor and Committee controlled all transfers it was necessary to have the purchases in the first place effected by some suitable person. Lord Selkirk appeared to be a proper tool. He bought up stock but in the final issue his wife's family objected to the transaction, with the result that he retained them in his own hands. Knowledge of these circumstances is essential for a true perspective of the part played by the colony which Selkirk now established on the Red River.

There were several strands in the thread of the life of his lordship, and it is necessary to keep them in view to understand his career and his colony. He was a philanthropist anxious to relieve the distresses of the poor in the United Kingdom by schemes of emigration. He was a keen business man bent on enhancing the wealth of his family by dealing in real estate. In 1800 he bought a large tract of land in the state of New York and south of Lake Ontario. In 1803 he established successfully a colony in Prince Edward Island. Soon thereafter he made an ill-starred attempt to establish the settlement of Baldoon in Upper Canada. By 1810 the campaign of violence inaugurated by the North West Company against the Hudson's Bay Company had brought it into difficulties. It was not paying dividends. For sheer protection of its goods it had had

to crowd its posts with men, and the cost of provisions had become inordinately great; it was said to be equal to a good dividend. The Company therefore reorganized its business. The feature of the reorganization of interest here is that it was determined to secure cheap provisions by engaging in agriculture at the posts. Orders were accordingly given to the Factors to pay increased attention to their gardens, "which at all the Posts may produce Potatoes and green Vegetables, and in many cases Indian Corn and other Grain, sufficient for the maintenance of the people in the station; and some of which may in time supply other places situated in a less favourable climate." It was but a short step from this to the establishment of an agricultural colony. In the following year the Company turned to Lord Selkirk, who at the time owned but £4,000 of the Company's stock. He was asked on what conditions he would accept a large grant of land and undertake to establish an agricultural colony. Lord Selkirk laid down his terms, and established the colony on the Red River. In his lordship's mind, the colony on the Red River was to be at one and the same time philanthropy, and good business. He now invested large sums in the company, until he held about £26,000 of stock. He felt that he was under obligation to the company and to himself as a large stockholder to make his agricultural colony a success. The colony was accordingly to play its part in enabling this company to stand up against its rival. This means that his Lordship had certain immediate objectives for the settlement and certain more distant aims.

The immediate objectives had to do with the Hudson's Bay Company. A colony settled on its territory would make good, as against the North West Company and all comers, its right to the soil, and would supply cheap provisions for its posts. As the English servants of the company had not proved equal to the struggle which the Northwesters had precipitated, and had little influence with the Indians, Lord Selkirk proposed to gather in the colony along with the immigrants the retiring servants of his company and their half-breed children, as well as French-Canadians and their children, and secure a cheap supply of labour for the forts and particularly for the crews of the brigades of boats. These objectives were not attained in Selkirk's life-time, but the gradual rehabilitation of his company contributed to the union of the rival concerns in 1821 and, as we shall see, the colony thereafter played the part proposed, in relation to the fur trade. In particular all parties

thereafter recognized the title of the company to the soil in virtue of the charter.

The more distant objectives of the colony were that it was to be the home of a very considerable body of immigrants to begin the settlement of the country, that it was to develop a trade of its own with the mother country, and incidentally, it was to enhance greatly the value of the large tract of land granted to his lordship.

On June 12, 1811, a grant<sup>7</sup> was made to Lord Selkirk by the Hudson's Bay Company, "for divers good and other valuable causes and considerations", presumably the benefits to be derived by the company through the existence of the colony, and for the sum of ten shillings, of a region estimated at 116,000 square miles with all its minerals, etc., and subject to the restrictions of his setting apart a portion to be disposed of to the retiring officers of the company who might wish to settle in the colony, and of his settling in it at least 1,000 families within 10 years (See Fig. 2, Part II). Selkirk arranged that Miles Macdonell, the governor, should spend a year in the colony preparing for the settlers. A selection of Scottish and Irish workmen was made "with a view of forming an extensive local connection in the Highlands of Scotland and in Ireland." This was to stimulate migration from those parts. On July 26th, the party sailed from Stornoway, not without a number of desertions due to the machinations of the North West Company. Owing to the lateness of the departure and the unprecedented length of the voyage it had to winter on the Bay and only arrived at the Forks of the Assiniboine and Red River on August 30th, 1812, too late to make any adequate preparations for the real settlers. On September 4, a party, delegated by the Hudson's Bay Company to do so, formally delivered the Selkirk grant into the hands of Miles Macdonell, the Governor. Macdonell chose the area below the Forks for the settlement. He wrote: "The Country exceeds any idea I had formed of its goodness. I am only astonished it has lain so long unsettled." He chose Point Douglas, on the west bank and somewhat more than a mile from the Forks, for his quarters, and below it on the same side laid out long narrow lots of 100 acres each, with 4 acres of frontage on the river. Pemmican and other provisions, pre-

<sup>7</sup> The Grant, along with a series of documents bearing on the government of the colony, will be found in E. H. Oliver, *The Canadian North-West: its Early Development and Legislative Records* (Ottawa. Public Archives of Canada, 1914), Vol. I, pp. 103-114.

sumably potatoes, were to have been at the Forks from Brandon House for the use of the party, but were not there; the fur-traders themselves were suffering from scarcity. Some pemmican and potatoes were, however, procured from the North West Company's Fort Gibraltar at the Forks, and later from Peter Fidler at Brandon House. In the meantime, the workmen's main sustenance was fish from the river. Macdonell went up the river to its confluence with the Pembina and arranged to build a fort (Daer) south of this last river. It would be within easier reach of the wintering-ground of the buffalo to the west. Leaving a few at Fort Douglas to take care of the agricultural operations, he had sent the rest of his party up to build and prepare for the incoming settlers. These arrived on October 27th—37 men, 18 women, 4 boys, 1 girl and 11 children.<sup>8</sup> All eked out an existence through the winter on fresh buffalo meat which was killed on the plains to the west by half-breeds and Indians, and mostly brought in to Fort Daer by the Governor's workmen.

Although the land about Fort Douglas was open and the sod could be turned on the day of arrival, the equipment available was ridiculously inadequate. The blacksmith must have been among the deserters, and it was impossible to fit up either plough or harrow. In the autumn of their arrival, the workmen had turned the sod and planted winter wheat with hoes. The agricultural operations of the following spring were not much more successful. Macdonell reported to Lord Selkirk on July 17th, 1813:

Our crops had bad culture and the seed being old, do not promise great returns, the winter wheat being late sown has totally failed; as also the summer wheat [planted in the spring] Pease and English barley; of all these there must be fresh seed sent us. The appearance of the Potatoes promises good returns. The Indian Corn has almost totally failed; from a great drowth after planting, grubs, etc. The sowing was chiefly done with the hoe, as well as the planting, only one imperfect plough was got a-going late in the season, there being no man here capable of making a good one.<sup>9</sup>

The consequence was that the second winter (1813-1814), had to be spent, like the first, at Fort Daer with buffalo meat, save for the slight relief afforded by the small potato crop, for the chief food-supply.

The distress of this agricultural colony was greatly increased by the absence of cattle. Lord Selkirk, who showed himself singularly conversant with the problems which must be solved to make his

<sup>8</sup> Chester Martin, *The Red River Settlement* (Ottawa. Public Archives of Canada, 1910).

<sup>9</sup> *Selkirk Papers*, pps 764 ff.

colonists contented and prosperous, was well aware of the need of stocking his settlement with cattle, but while it was possible so far to solve the problem of transportation as to get the immigrants into "the Land of Promise", as Miles Macdonell called it, the importation of cattle on an adequate scale proved impossible. Selkirk had provided 8 head of cattle at Stornoway to be brought in with the first party—the servants under Miles Macdonell—, but in the confusion wrought by the machinations of the North West Company they were not taken aboard. Macdonell picked up a bull and heifer at Oxford House on his way from York Factory, and Peter Fidler bought at an exorbitant figure a bull and a cow and a heifer from the Northwesters at Fort La Souris on the Assiniboine. This last bull proved vicious and was killed, though the scarcity of food may have had as much to do with its end as its viciousness, and, calamity upon calamity, the first, now the only remaining, bull was drowned while drinking at the water-hole in the ice on the river. Selkirk urged Miles Macdonell to send out horsemen to drive quietly into the settlement a herd of heifer buffalo (they grazed apart from the bulls except in the rutting season), and to attempt a cross with a European bull. This surely was a counsel of despair.

Lord Selkirk was thoroughly alive to the problems which must be solved to secure a prosperous colony. With the first party he sent out 21 costly merino sheep imported from Spain, in the hope that a wool trade might be developed. At that time the rate of the production of cloth goods due to the invention of steam-driven machinery had outstripped the raw material, and wool was at a premium in the London market. The high value of the article and the ease with which it could be carried over the portages promised a solution of the problem of finding a means of livelihood for a large body of settlers upon the open plains of the Red River. Hemp seed was also sent out with the same end in view. His lordship was under no delusion as to the danger of the early frosts of the autumn. He sent out barley seed (1813) grown in the Orkneys, the extreme north of Scotland, and later a consignment grown in Sweden beyond the Arctic circle at the northerly limits of cereal growth on the continent. He also sent out rye seed, pointing out that it wintered in the soil better than winter wheat. But the possibilities of these products was lost sight of amid the immediate distresses of the colonists.

It was fortunate for the settlers already in the colony that

the body of immigrants sent out in 1813 did not arrive that year. It had been stricken with ship-fever on the passage out and was landed at Fort Churchill where it wintered. As it was, the settlers had to endure the hardships of subsistence on buffalo meat as experienced in the previous year. Even so, the prospective arrival of the immigrants before the farms had been brought to an adequate production of grain or vegetables threatened continued distress. Accordingly, on January 8, 1814, Governor Miles Macdonell issued a proclamation prohibiting the export of pemmican or other provisions from the area of Selkirk's grant. Provisions taken over by him would be duly paid-for. This proclamation, about the wisdom and the inward purpose of which there will always be doubt, precipitated the "Pemmican War" with the North West Company which proved so disastrous to the colony.

The immigrants who wintered at Fort Churchill arrived on the scene of their future home on July 21, when the first crisis of the Pemmican War had been averted by negotiations. According to Miles Macdonell's Journal they numbered fifty-one—31 men, 3 women, and 17 girls. They were mostly from the parish of Kildonan, in the Highlands of Scotland. A list of names makes the party, when at Churchill, 84, all of whom may have ultimately arrived. The Governor provided them with 42 bushels of potatoes which they planted within three days of their arrival. That season 7 kegs of barley, 4 of wheat, 5 or 6 of oats, a quantity of Indian corn and buckwheat, and nearly 300 kegs of potatoes were put in the ground. The 4 kegs of wheat produced 23 kegs of 10 gallons each. With the prospect of a good potato crop Macdonell secured 2 pigs from the North West Company's Fort La Souris. Fifteen new settlers reached the colony that autumn. There was less distress during the following winter, due largely to the potato crop, but there were times when there was danger of starving for want of buffalo meat.

The North West Company was now determined to destroy the colony, all the more as the Governor formally warned them off his lordship's land, and the Hudson's Bay Company served similar notices on several of the forts in the area beyond. The continued distresses of the settlers, their increasing indebtedness to Lord Selkirk because they had been unable to provide for themselves, the glowing accounts given by the Northwesters of the prosperity of Upper Canada, and finally the offer of free passages by canoe to that happy region formed a nexus of incentives to desert the

colony which could not easily be resisted. In the early summer of 1815 the Northwesters brought the Pemmican War to a close by securing the surrender of Governor Miles Macdonell and carrying him off and about 150 deserting colonists with him to Canada. The Indians, more friendly to the settlers than the white men, accompanied the remnant of the colony, some 45 in number, their cattle, and their sheep, to their boats. The population of the colony before this dispersion was therefore about 195.

The remnant of the settlers spent the summer at the north end of Lake Winnipeg, but mustered up courage enough to return in the autumn in time to gather their crops. "There were preserved about 400 bushels of wheat, 200 of Barley and 500 of potatoes." This, with the abundant fish supply from the river, enabled the colony to pass the winter in comparative ease, although the new Governor, Robert Semple, brought in a new band of settlers, 84 strong. The cattle and the sheep (numbering 24) were brought back by the settlers. Next spring the Northwesters planned a concentration of their forces on the colony. Governor Semple, without adequate tactical or strategic plans, foolishly went out to meet a force of some 50 half-breeds, armed and in war-paint, as it proved, which was passing by an interior road to the river below Fort Douglas. An altercation led the half-breeds to shoot and the Governor and 21 of his following were killed at what has been called the Massacre of Seven Oaks (June 19, 1816). The settlers once more abandoned the colony and fled to the north end of Lake Winnipeg. They left behind them crops, estimated to yield in August "1,200 bushels of wheat, 2,000 of Barley and 11,000 of Potatoes, besides a considerable quantity of garden grounds fully planted."<sup>10</sup> As they did not return in the autumn all this went to waste. So ended the first phase of the history of the Red River Settlement.

### *3. The Consolidation of Lord Selkirk's Colony*

With an admirable persistence the fugitive colonists determined to return to their troubled home in the spring of 1817. An adventurous few travelled to the Red River over the ice of Lake Winnipeg and arrived in time to put in a small crop. The rest of the settlers followed. This courageous return may be attributed to the knowledge that Lord Selkirk was on his way from Canada to the colony and that Fort Douglas was already in the possession of his soldiers.

<sup>10</sup> *Selkirk Papers*, p. 1198.

His lordship had spent the winter of 1815-1816 in Canada, planning for the solution of the problems of his colony with an intelligence and will-power which command unstinted admiration. He knew well that the colonists would never be content till the low of cattle was heard in the land. Some 8 head of cattle were being sent from Fort Albany on Hudson Bay by York boat to the Red River. They reached Osnaburgh House, about two-thirds of the way, but fell victims to the Indians and probably the Northwesters. Owen Keveny, in whose charge they were, was murdered by servants of the North West Company. Meanwhile, conscious that such a small herd would not suffice, his lordship entered into a contract with traders on the Mississippi for a large herd to be driven over the plains to the Red River. Moreover, he had failed to secure military protection from the Imperial Government for his settlers against the North West Company. He therefore secured a band of soldiers of the De Meuron (Swiss) regiment, disbanded after the war of 1812, 2 captains, 2 lieutenants, several non-commissioned officers, and 100 men. He was at the Sault Ste. Marie on the way up with these, when he heard of the Seven Oaks Massacre and the second dispersal of his colonists. He forthwith seized the North West Company's depôt at Fort William, where he wintered and incidentally resisted a warrant of arrest. An advance party under ex-Governor Miles Macdonell and Captain d'Orsonnens seized the North West Company's post at Rainy Lake. In the dead of winter a flying expedition left this point, the guns and baggage being drawn on sleighs by 5 horses, 3 oxen, 1 bull and 3 cows. It re-captured Fort Daer at the Pembina River and Fort Douglas at the Red River Settlement. The demobilized cattle were as a drop in the bucket towards providing the settlement with cattle, all the more as the soldiers carelessly failed to water their diminutive herd and the bull perished out in the fields.

The De Meuron soldiers were to protect the colony. Lord Selkirk, however, saw that more than military force was necessary, especially for the control of the half-breeds, most of whom were Catholics by profession. He offered the Bishop of Quebec a block of land 16 miles square on the east side of Red River over against the Settlement, if he would send out missionaries and French-Canadian settlers. These were to follow him.

When Lord Selkirk reached his colony in the summer of 1817, his dispositions were no less intelligent. His De Meuron soldier-settlers were placed within the sound of the alarm in case of danger,



the officers near Fort Douglas, a number of soldiers in small plots of ground on the peninsula on which the fort was built, and the rest on the east side of the river opposite. The colony was henceforth safe from hostile raids. Indeed, the De Meurons assisted the Hudson's Bay Company's fighting Governor Williams in the summer of 1819 in a raid in true Northwester style on the northern brigades, in which several partners were arrested and carried off to York Factory. This was the beginning of a series of circumstances which brought the wintering partners of the North-West Company to their sober senses and led to the happy union of the two companies in 1821.

The Indians, in spite of the North West Company's propaganda to the contrary, had all along been friendly towards the settlers. Lord Selkirk sealed this friendship with an Indian Treaty, which promised certain yearly gifts in return for the right to settle on the banks of the river, two miles on either side. Sites were given for church and school, and an acceptable clergyman promised. The land was given to the colonists on the easiest of terms in consideration of the afflictions through which they had passed. They were allotted farms of 100 acres, as in Miles Macdonell's day on the west bank of the river downwards from Fort Douglas. A model farm, to be maintained by Selkirk, was also planned. On September 9, his lordship left the settlement to return to Canada by way of the United States.

All the troubles of the colony, however, were not over. The crop of that year, small as it was, was greatly depleted by a hostile climate. Upon the 10th of September, the day after his lordship's departure

we had such a severe frost that it entirely checked the growth of the Potatoes, and after keeping them together as much as possible, we measured 360 Bushels in all, so that your Lordship sees that we can eat none of them, and I wish there may be sufficient for seed, tho' I think there will. Upon the 14th of September we had such high winds that more than a third of our wheat were blown off the stalk, but I believe we have a sufficiency of that article for seed but none to eat, so that we must entirely depend upon the plains for subsistence.<sup>11</sup>

Thus the winter of 1817-1818 was once more one of distress for the colonists.

The prospects of a good crop in 1818 cheered the settlers. Alexander Macdonell, now installed as Selkirk's agent, wrote his lordship on July 22. "Our crops this season look quite luxuriant."

<sup>11</sup> *Selkirk Papers*, p. 4191.

On July 16th the Revs. Joseph Norbert Provencher and Sévère Joseph Nicolas Dumoulin, the Catholic missionaries from Canada, arrived. They were welcomed by a large gathering of the half-breeds, whom they were expected to shepherd into the ways of peace. Provencher gave a glowing report of the prospects to his bishop. The little band of immigrants from Quebec arrived in their wake on August 12th, but already misfortune was upon the settlement. On August 2nd, millions of grasshoppers descended upon the crops. Alexander Macdonell wrote Lord Selkirk on August 13th:

[They] eat up all our Barley and potatoes, particularly those in the woods, not a vestige of them left but all the potatoes more in the plains suffered very little injury; the Barley have been eat up everywhere; they have cut the heads off it as clean as an axe would do. . . . I have, however, ordered all the people to collect the heads and more particularly those nearly ripe, by which the people will have a sufficiency of seeds,\*but nothing for consumption. The wheat has not been injured in the least as yet, and we have a very heavy crop of it, so that your Lordship need not be uneasy but we shall get through tho' different from what we expected.<sup>12</sup>

The wheat crop was estimated at 100 and the potato crop at 200 kegs. Fish from the river and buffalo meat from the plains enabled the afflicted settlers to moderate the distress of the winter. This year two, out of four cattle shipped from Scotland, arrived. The winter spent at York Factory proved too much for the other two.

The summer of 1819 saw the larvae of the grasshoppers even more destructive than their parents of the year before. The depredation of 1820 was not so great. That winter a party journeyed on snow shoes to Prairie du Chien on the Mississippi and returned with 250 bushels of wheat seed. The ravages in 1821 were very great, but on July 16th the larvae got their wings and went off in millions before a northerly wind and were followed by swarm after swarm. The plague disappeared as suddenly as it had descended on the colony. Enough crop was saved to prevent any dire scarcity. Most satisfactory of all, the grasshoppers had disappeared before copulating. The crop of the next year was assured.

The year 1821 saw the arrival of a first herd of cattle from the United States. They were brought in by one Rolette from Prairie du Chien on the Mississippi as a speculation. The cattle in the colony now numbered 3 bulls, 6 oxens, 45 cows, 39 calves—in all

<sup>12</sup> *Ibid.*, p. 5291.

93 head. There were 10 sheep, 1 ram, 12 pigs, 78 horses.<sup>13</sup> The Census of 1822 indicated 234 men, 161 women, 886 children. The houses numbered 126 and there were 160 gardens. The seed sown that spring was wheat, 235 bushels, barley 142 bushels, Indian corn 12 bushels, potatoes 570 bushels, pease 18 bushels. There were 81 books in the Settlement, and the value of the Settlement was estimated at £4,620. Meanwhile a Mr. Dousman, who had contracted to bring in a large herd for Lord Selkirk, had been meeting with misfortune. In 1820-1821 a fine herd had been wintering at Prairie du Chien. The winter was of the severest, and it was starved to death. A second herd reached the height of land to meet with a similar fate. At last, on August 28, 1822, Dousman brought in a drove of 170 head. Of these 96 milch cows, 1 bull, and 23 oxen—120 in all—were according to contract. Andrew Bulger, the new governor of the colony, reported to Andrew Colville, Lord Selkirk's executor—for his lordship had died in 1820:

In distributing the cows, I began with the married men of the De Meurons, who had Lord Selkirk's promise of cattle in writing; next I considered the Scotch families, who had been longest in, and had suffered the most for the Country—and then the married [French] Canadians who had come from Montreal under engagements with his Lordship. These being served, I was induced in consideration of what the Swiss had suffered and in the hope of reconciling them to the Country to give a cow to each of them that had a family. I also supplied the three German families, and then the unmarried men of all countries who appeared to have the strongest claim on Lord Selkirk. No one was allowed to choose. I adopted a kind of lottery that no man might say I had been partial to another.

Those who did not get cattle were satisfied when Dousman brought in another drove in the following year. Thus at last, in the eleventh year of its existence, Red River Settlement was stocked with cattle. Truly the problem of transportation had to be solved before this isolated colony could find a place among the trading communities of the world. The Swiss referred to were settlers from Switzerland who arrived in the colony in the autumn of 1821. "As a rule they were of the poorer class, chiefly mechanics—clock and watchmakers, with a goodly proportion of pastry cooks—but very few, if any, agriculturists." Many of them had come from the poorhouse of Berne. A helpless lot of people, they had to winter at Pembina and live on buffalo meat. Their suffering was intense:

The long rivalry between the North West and the Hudson's Bay

<sup>13</sup> *Ibid.*, p. 7673.

Companies came to an end in the union of 1821. An Imperial Act of Parliament inferentially accepted the Hudson's Bay Company's charter which had given the company the monopoly of the trade of Rupert's Land and title to its soil. An exclusive licence to the trade of the territory beyond, that is, the region, including our British Columbia, beyond the basin of Hudson Bay, was now granted to the company. A circular sent out by the Governor and Committee in London ordered the factors to enforce the monopoly strictly. Did this apply also to Lord Selkirk's colony? John Clark, then chief factor at Fort Garry, the company's post in the colony, insisted that it did, that the colonists could not trade with the Indians, not for furs, or even for buffalo meat. The irascible Governor Bulger made a dramatic appeal to the executors of Selkirk's estate and the company disowned Clark's policy. They allowed the colonists to trade with the Indians for all domestic purposes, but they were not to enter the fur trade as a business. Thus the colonists were assured of their economic freedom, within certain limits. In keeping with this, the company encouraged the establishment of shops in the colony, although they competed with its own store. The company, of course, had the benefit of the freightage of the goods into the country.

During the years of the grasshopper plague, the more industrious Scottish settlers did not suffer as much as the French-Canadians and half-breeds. These wintered at Pembina for its assured supply of buffalo meat. Father Dumoulin removed to that point, and erected a church and presbytery. As a result the French-Canadian settlement at the Forks was at a standstill. It looked as if there were to be two colonies on the Red River—the one English and Protestant at the Forks, the other French and Catholic at the Pembina River. The executors of the Selkirk estate, through their representative John Halkett, then visiting the colony, averted this by threatening to withdraw their support from the Catholic mission. The French moved up to the east side of the river opposite the Forks, to the site of the present St. Boniface. Thus the colony remained one but was composed of two sections—Catholic French and Protestant Scots—separated by the river.

The union of the companies brought a fresh accession of settlers to the colony. A number of officers of both companies had to retire. Under the terms of Selkirk's Grant, some bought farms on the west bank of the Red River in the parishes of St. Paul and St. Andrew, north of the previous settlers who were in St.

John and Kildonan. Servants of a lower order, mostly French-Canadian and many of them half-breeds, were brought in by the company and placed on the east bank. They enlarged the French side of the colony. The company enlisted the interest of the Church Missionary Society, as Selkirk had done with the Catholic bishop of Québec, and schools were opened in the several parts of the colony. While not itself undertaking responsibility for the religious and educational welfare of the colony, it gave money grants and conferred many favours on Protestants and Catholics alike. It maintained a chaplain and a doctor at Fort Garry.

By the year 1825 the colony was able to present the aspect of a thriving agricultural community. In 1826 calamity came in the form of a great flood. As a result, the De Meurons, who were as incompetent and restless as professional soldiers turned farmers usually are, decided to leave the colony for the United States to the south. The Swiss went with them. The emigrating party numbered 243 souls in all. As immigration was no longer encouraged, nor indeed was it feasible, the colony now took the form which it maintained with comparatively slight changes, save for the natural increase in its population. By an indenture,<sup>14</sup> dated May 14, 1836, the Selkirk Grant was reconveyed to the Hudson's Bay Company, and the colony became an adjunct of the company. Its form of government may be briefly indicated. The Governor was retained as of old. The Council which had been functioning sporadically now met formally and frequently. To hold their positions legally the councillors had to receive a patent from the Governor and Committee of the Hudson's Bay Company. Nominations to vacancies were made by the Council itself after consultation with leading men. In time the principle was adopted that the several parts of the settlement should be represented by prominent men in them. The company's chief factor and the Anglican and Catholic bishops were of the Council, also leading English and French half-breeds. Laws were never adopted without practical unanimity, and members could speak in English or French as they chose. In spite of the autocratic source of its authority, the council was representative, and it enjoyed great freedom. Petty courts were established in the districts, but were more like courts of arbitration. The council sat as a supreme court along with a jury. The bench for the most part conducted the cross-examination,

<sup>14</sup> *Charters, Statutes, Orders-in Council, etc. Relating to the Hudson's Bay Company* (London: Hudson's Bay Company, 1931).

the jury rendered the verdict. The community was quiet and law-abiding, in spite of the fact that the police force was of the most primitive.

The Census of 1849 ran as follows:<sup>15</sup>

People.....	5,291	Canoes.....	428
Houses...	745	Land under cultivation	
Schools...	12	(acres)....	6,392
Churches.....	7	Horses.....	1,095
Water-mills. . . . .	1	Mares.....	990
Wind-mills . . . . .	18	Oxen.....	2,097
Ploughs... ..	492	Bulls.....	155
Harrows... ..	576	Cows... ..	2,147
Carts... ..	1,918	Calves.....	1,615
Boats.....	40	Pigs.....	1,565
		Sheep.....	3,096

The more immediate objectives of Lord Selkirk had been reached, though not by the way he had planned. The title of the Hudson's Bay Company to the soil was recognized by all, including the Imperial Government. The company was brought to a period of great prosperity, and the colony was a factor contributing to its success. The Minutes of the Northern Council which, under George Simpson and subject to the Governor and Committee in London, presided over the fur trade of all the Northwest, save the region south of James Bay, afford ample proof of the part played by the Red River Settlement. A sample resolution bearing on the purchase of the produce of the colony may be offered.

1837. 45—That the following supplies be provided at the Colony for exportation to Norway House [the depot for distribution] Summer 1838 made up in sound and transportable packages at the annexed prices viz:

10 cwt. Beef at 3d p. lb.
20 " Biscuit at 3d p. lb.
50 Firkins Butter at 7d p. lb.
3 cwt. cheese at 6d p. lb.
1000 " 1st & 2nd Flour (kiln dried) 12/- p. cwt. incg packing.
30 Pork Hams at 6d per lb
10 cwt. Pork at 3d per lb
15 Assortments Garden Seeds at 18/- ea.
100 Portage Straps, 2/-.

The lower service of the company was largely recruited from the colony. The crews for the York boats on the waterway between

<sup>15</sup> Report of The Select Committee on The Hudson's Bay Company, *British Parliamentary Papers*, 1857, p. 363.

York Factory and Red River and even the voyageurs taking the goods for the Athabaska, Peace, and Mackenzie Rivers as far as Methy Portage where they were handed over to the crews of the north and return freight of furs taken, were engaged in Red River. Thus the colony found the market for its produce, and employment for its men in the Hudson's Bay Company. It must be admitted, however, that neither the Settlement's farming nor the company's merchandizing was a model of perfection. The better farmers, had threshing-floors but many threshed their grain on floors of ice, and stored the grain in a damp state so that it mildewed. Good and bad wheat was ground-together at the mill and made such poor flour that officers at the posts returned to flour imported from England. So too with butter. The company's officers at Fort Garry purchased good and rancid and packed them indiscriminately in defective kegs with the result that the higher service at the posts insisted on English butter.

The more distant objectives of Lord Selkirk for the colony remain to be considered. The hope of a populous and prosperous settlement, which should enhance the value of the unoccupied land and bring wealth to the Selkirk family, remained unfulfilled. Such a settlement could only be achieved by solving the problems—the interlocked problems—of transportation and a profitable line of production. Lord Selkirk, and after him the Hudson's Bay Company, made brave attempts at solutions. The success of the fur trade in spite of a costly transportation by boats and over portages lay in the high value of the goods carried. The goods—articles of clothing, trinkets and beads, guns and ammunition—though cheap enough in England, brought large returns of peltries in Rupert's Land and thus paid for their transportation inwards. On the outward journey the great value of the furs and their small bulk, easily carried over the portages, amply repaid the cost. What could the colony produce which would fulfil the conditions of great value and small bulk dictated by the defective means of transportation? Not wheat or flour, for their bulk and weight and the comparatively low price they would bring in the London market made it unremunerative to transport them. Lord Selkirk planned to make his settlement a wool-producing colony and to that end sent out merino sheep from Spain. This was about the time at which the same breed of sheep was sent to Australia. The woollen factories of England equipped with machinery had outstripped the raw material to hand, and wool was at a premium

in the markets of England. For similar reasons hemp was of great value, and Lord Selkirk and George Simpson, Governor of Rupert's Land when the Company took over the colony, provided supplies of seed for the settlers and for the experimental farms. Both articles would have been easily conveyed over the portages. But the settlers, the poorest of the poor in the countries from which they came, lacked intelligence and initiative. They failed to see their opportunities, and did not solve the problems which stood in the way of a large production and of the preparation of a merchantable article. Lord Selkirk even encouraged the attempt of the Buffalo Wool Company to put buffalo wool on the market, but the admixture of coarse hairs with the fine wool and the hard and fast colour of the article made it useless. In 1833 George Simpson returned to the idea of wool. A flock of 1,370 sheep was purchased in Kentucky and driven towards the Red River Settlement. It passed through a country infested with spear-grass. The spears entered their flesh in such quantity as to make the whole body a festering sore. The carcasses of the dead marked the way across the plains northward. But a remnant reached the settlement and nothing was made of it. A second importation was deemed out of the question. About 1833, apparently, animal fat (tallow) was fetching a good price and the Hudson's Bay Company began exporting buffalo back-fat. The company established a stock-farm to produce tallow, and a hemp-farm at the Settlement. However, the extravagance of the management brought the project to an untimely end.

Hargrave sums up the experiences of the colony:

Efforts have been made again and again to establish certain manufactures for exportation and the "Tallow Company", the "Buffalo Wool Company", the "Buffalo Woollen Cloth Company", "Flax" and "Beetroot Sugar" Companies after being successively patronized by eager friends, have passed away leaving nothing but their names and debts.<sup>16</sup>

All attempts to find an exportable product thus failing, the colony was necessarily reduced to playing the modest part of handmaid to the fur trade.

Under the conditions which prevailed there was no thought of transforming the prairies into fields of golden grain. It should be noted that not only did the difficulties of transportation make this impossible, but the early frosts and, to a less degree on the Red River, the drought made the crop somewhat precarious.

<sup>16</sup> J. J. Hargrave, *Red River* (Montreal: 1871), p. 179.



The seed in use frequently did not come to maturity till well on in September—in 1815, Sept. 19th, for example—when the danger of the harvest being damaged by frost was very great. In 1817 the wheat was still standing on September 14th.<sup>17</sup> It was subject to a frost on September 4th, and a great wind blew much seed off the stalk on the 14th.<sup>18</sup> In specially favourable seasons harvest came earlier—in 1818 in the last days of August and the first days of September. From the few data to hand it has been calculated that on the average the wheat in the Settlement matured in about 137 days. As sowing frequently came in the last days of April and first of May, harvest would often be in the middle of September, and the crop would be subject to danger of damage from frost. In 1855 at Edmonton House, on the Saskatchewan, sowing took place, May 1st, and harvesting began on September 25th.<sup>19</sup> The late date may be partly due to the crop having been left standing for the arrival of the brigade and because of rain. At any rate, from the seeding to the harvest was 147 days. In 1857 at Dog Mission near Fort Alexander at the mouth of the Winnipeg River the wheat was harvested at the end of 150 days.<sup>20</sup> The view that the Northwest could never support a large farming population was not due to the fur-traders' prejudice against settlement, though that existed, but was based on the hard facts of experience. Governor Simpson's evidence before the Committee of the House of Commons on the Hudson's Bay Company, 1857,<sup>21</sup> was the straightforward evidence of a keen business man intimately acquainted with the country. Asked about the Red River with particular reference to possible colonization he said:

The banks of the river are alluvial and produce very fair crops of wheat; but these crops are frequently destroyed by early frosts; there is no certainty of the crops. We have been under the necessity of importing grain within these last ten years from the United States and Canada, for the support of the establishment.

Asked about the Saskatchewan, he replied: "The climate is more rigorous and the crops are even less certain on that river." Away from Red River the company had farms on the Saskatchewan at Cumberland House, and particularly at Carlton House, north of Saskatoon, and at Edmonton. It had a stud of breeding mares

<sup>17</sup> *Selkirk Papers*, p. 4195.

<sup>18</sup> *Ibid.*, pp. 5336, 5370.

<sup>19</sup> Journal of Fort Edmonton, October 1854 to May 1856 (manuscript copy in Library of University of Saskatchewan).

<sup>20</sup> H. Y. Hind, *Report of The Assiniboine and Saskatchewan Exploring Expedition* (reprinted in "British Parliamentary Papers", 1860), p. 144

<sup>21</sup> Report of the Select Committee on the Hudson's Bay Company, pp. 44ff.

at Fort Pelly on the Assiniboine. The farms were to provide food for the recurring periods of scarcity at the posts. Vegetables and barley were grown and some wheat. Taking all in all, the country under the Hudson's Bay Company had gone as far towards agriculture as could be expected considering the climatic conditions, the difficulties of transportation, the lack of skill and initiative in the people, and finally the concentration of attention upon the lucrative fur trade.

## CHAPTER II

### A PERIOD OF TRANSITION, 1840-1870

TWO of the problems without whose solution the Northwest could never become a great wheat belt were being solved elsewhere. In the middle of the nineteenth century an Upper Canadian farmer near Peterborough, named David Fife, was developing Red Fife, an early-maturing wheat; and all the western world was busy solving its transportation problems by means of steamships and railways. The solution of the problems of transportation of the western States by means of railways, which, so to say, wiped the Alleghany Mountains off the commercial map of North America, brought about an era of railway building and of immigration into the American West which multiplied the wealth of the United States many times. The "roaring forties", as they have been called, turned the attention of the settlements on the Atlantic seaboard to the plains of the West, and marked the inauguration of a new era in the history of the continent. From 1821 all the connections of Rupert's Land and of the Red River Settlement had been with England through Hudson Bay. Under this condition the monopoly of the Hudson's Bay Company was so secure that even the settlers on Red River accepted it without cavil, but, when steamships on the Mississippi and approaching railroads made it possible for them to drive across the international boundary with peltries to an American market on the Mississippi and to return with whiskey, with which to trade with the Indians for furs, the passivity of the Settlement began to pass away. Colonists who desired to enter the fur trade chafed at the liquor laws, and sought means to overthrow the monopoly and rule of the company. Petitions alleging all sorts of tyrannies, negligences, and abuses, on the part of the company, but curiously silent about the real motives of the petitioners, were sent in to the Imperial Government. Naturally the would-be free-traders were not satisfied when the Government found that their charges were not founded on fact. A real victory was, however, gained by them in 1849, when a prosecution of illicit traders by the Hudson's Bay Company before the Quarterly Court, the supreme court of the Settlement, ended in an innocuous verdict. The armed half-breeds,

whose presence at the trial brought the release of the accused, raised the cry "La Traite est libre", "the trade is free." The continued unrest of the Settlement and the failure of the Hudson's Bay Company in the colonization of Vancouver's Island brought about an enquiry by a select committee of the House of Commons into the administration of the Hudson's Bay Company and, incidentally, into the possibility of colonizing the Northwest. The Imperial Government asked the Governor-General if Canada wished to be represented at the enquiry. Chief Justice W. H. Draper appeared to watch proceedings and to express the sentiments of that colony.

The enquiry was very thorough, and the views expressed were as diverse as the soil of the spacious Northwest. The views of Sir George Simpson, the Hudson's Bay Company's Governor of Rupert's Land, on the agricultural possibilities of the region have been given above. On the whole, the evidence agreed with his testimony. Lieut.-Col. Lefroy, who had travelled over the whole region east of the Rockies for two years making magnetic observations under the general direction of the Royal Society, pointed out that a large portion of the region is primitive in geological formation and almost entirely denuded of soil. Over a large portion the soil is permanently frozen. Referring to the settled area he said: "The seasons are so short and so uncertain, that crops are liable to be cut off by unseasonable frosts at periods that make it almost impossible for the husbandman to reckon with any certainty on a return."<sup>1</sup> There was land for settlement on either side of the Saskatchewan. Wheat had been grown at Cumberland House, but with uncertainty for the reason given. A settlement of civilized and christianized Indians at the Pasquia River (The Pas), formed during the last twelve years, "had succeeded in some degree in cultivating the ground." The crop was wheat, barley, potatoes, and various vegetables, but not Indian corn. He thought Fort Cumberland was the northern limit for the growth of wheat. He had seen successful growth of vegetables at Norway House (on Little Play-green Lake, north of Lake Winnipeg). The plains at the Red River could be settled "until you get to a certain distance westward, where, as I have reason to think, but little rain falls; that is one way in which I account for the physical fact of its being prairie, and there the soil is, as far as my observation goes, not very favourable to cultivation."<sup>2</sup> Lefroy told of 10 acres of barley at

<sup>1</sup> Report of The Select Committee on The Hudson's Bay Company, *British Parliamentary Papers*, 1857, p. 13.

<sup>2</sup> *Ibid.*, p. 15.

Ile-à-la-Crosse; that no more than a crop of small potatoes could be grown at Fort Chipewyan on Lake Athabaska; that on the rich soil on an island at Fort Simpson at the confluence of the Liard and Mackenzie Rivers (about latitude 62°N.) barley and vegetables were grown with unusual success though the subsoil remained permanently frozen, and that at Fort Norman latitude 64° 31' barley was grown. He attributed this to the comparative proximity of the Pacific Ocean. He attributed the comparatively small area under cultivation at the Red River Settlement to the unsettled spirit of many of its people, who preferred to live on the buffalo-hunt and by fishing to giving their labour to farming. These may be taken as the views of intelligent observers of that time, ignorant, of course, of the possibilities of the future, but basing their conclusions on the facts as they saw them.

Mr. Alexander Isbister, who was the spearhead of the opposition to the Hudson's Bay Company, testified that he himself had raised barley and oats at Fort Norman, near the Arctic Circle. The Saskatchewan was the limit for raising wheat. Wheat ripened well on Red River. He had heard of frosts but knew of none in his time.<sup>3</sup> The general testimony was that more wheat could and would be grown in the Red River if there were a market. Some blamed the Company for not providing the market.

The Canadians who appeared before the Committee had not visited the country. They were chiefly men interested in transportation. Mr. John Ross,<sup>4</sup> a member of the Canadian parliament and at the head of the Grand Trunk Railway, complained that the Hudson's Bay Company occupied the territory and prevented the extension of settlement and civilization. He thought there was land west of Lake Superior and also on the Red River which could be cultivated. He asserted that the most feasible route for a transcontinental railway was through British territory. He thought a railway running north of Lake Huron and Lake Superior would bring about settlements along the line, and be productive. His ignorance of the country is proved by the fact that agricultural settlements are not yet to be found in the region indicated. Mr. William Kernaghan,<sup>5</sup> of Chicago, and interested in transportation on the Great Lakes by steamships, thought that British goods could be taken to the northwest shore of Lake Superior and transported thence to Red River by wagons in summer

<sup>3</sup> *Ibid.*, p. 133.

<sup>4</sup> *Ibid.*, p. 1.

<sup>5</sup> *Ibid.*, p. 110.

and sleighs in winter. Chief Justice W. H. Draper<sup>6</sup> represented Canada informally before the committee. He put in a plea for a delineation of the boundary of Canada, believing that it would be shown that the Hudson's Bay Company had no title to the part of the Northwest capable of settlement (indeed a map of Canada was prepared by the Canadian Crown Lands Department for the committee showing the Pacific as the western boundary of the colony, but the thing was so ridiculous the Canadian Government did not forward it to Mr. Draper—in fact destroyed it). The Canadian Government was not prepared to take over the administration of the West, but desired that, as communications were opened up and the land settled, they should be allowed to take possession of the regions involved.

The committee terminated the connection of the Hudson's Bay Company with Vancouver's Island, without expressing an opinion upon the validity of the Company's charter in the matter of Rupert's Land. They agreed that the company should be allowed to continue in the enjoyment of its privileges. They reported that it was "essential to meet the just and reasonable wishes of Canada to be enabled to annex to her territory such portion of the land in her neighbourhood as may be available to her for the purposes of settlement, with which lands she is willing to open and maintain communications and for which she will provide the means of local administration." From this report dates the movement to *annex* the West, that is, to incorporate it into the crown domain of Canada.

All parties must have now become aware of their ignorance of the Northwest. At any rate the Imperial Government sent in Captain Palliser, and the Canadian Government, Mr. S. E. Dawson and Professor H. Y. Hind, to explore the agricultural possibilities of the region. The results of Captain Palliser's expedition are embodied in *Further Papers Relative to the Exploration, presented to Parliament* in 1860. The report was in favour of a colony extending from the Red River to the boundaries of British Columbia, estimated as having an area of 240,000 square miles. In this region it found three types of soil. The "arable prairie" as about the Red River Settlement and the lower Assiniboine; the "willow prairie" north of the limit of the true prairie (Fig. 3) which had been originally forest, but which had been burned down by prairie fires running northward, and where the mould left by the forest.

<sup>6</sup> *Ibid.*, p. 231.

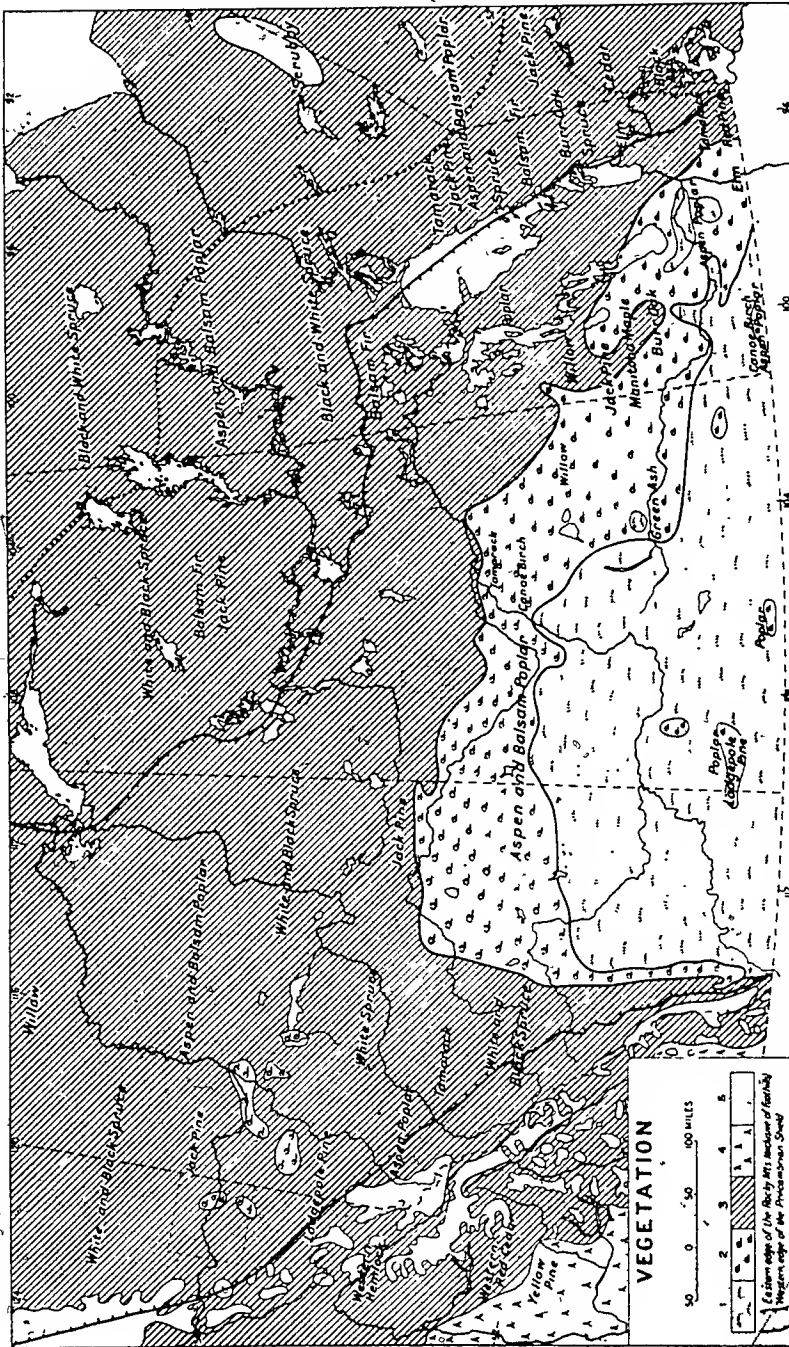


Fig. 3.—Natural vegetation (based on published map by National Development Bureau, Department of the Interior, Ottawa). Key to numerals: 1, prairie vegetation (grassland), distinguished by short grass and almost devoid of trees, except fringes along some of the rivers and lakes; 2, park or grove belt; 3, northwestern coniferous forest, merged with sub-Arctic forest (northeast of the dotted line) and western coniferous forest; 4, semi-open coniferous forest; 5, treeless

was still to be found; and the true prairie on which the mould was but two or three inches deep and which approximated in character to the so-called American Desert. It was anticipated that settlement would avoid this last region, and would avail itself of communication to the "willow prairie" or as it came to be called "the fertile belt", by river and lake. Consequently, after the arable prairie from the Red River to Portage-la-Prairie was settled colonization would begin in the willow prairie region on the upper Assiniboine, thought to be accessible from Lake Winnipegosis, and would extend to the Forks of the Saskatchewan, and so up the river valley. The true prairie partly on account of its soil, but also partly because it was timberless, would not be favourable to colonization. A feasible route across the Rockies to the mouth of Fraser River was indicated, but was reported as less practicable than one through the United States.

Hind's report<sup>7</sup> envisaged the region east of the longitude of the Elbow of the South Saskatchewan, which river was followed all the way to Lake Winnipeg. It describes the country in much more glowing terms than does Palliser. Hind writes airily of diverting the south Saskatchewan into the valley of the Qu'Appelle to form a waterway leading due westward through the fertile belt. He accepts figures indicating the maturity of wheat which are suspiciously modern. He quotes figures<sup>8</sup> furnished by (Donald) Gunn of the Red River Settlement indicating that in 1856 the wheat matured in 112 days, and was harvested in 120 days by August 28th. A slight frost was experienced on August 30. If the figures are correct it was an extraordinarily favourable season. The moisture of the year June 1st, 1855-1856 was given as 43 inches of rain and 39 inches of snow.<sup>9</sup> The total precipitation of the region averages 20 to 25 inches, yet, in this very wet season, the harvesting of wheat commenced on August 15. Our Marquis wheat could not have done better, if as well.

Hind drew an imaginary line from the Fishing Lakes in the Qu'Appelle valley to the Moose Woods, south of our Saskatoon, and another at the 101st degree of longitude near the Little Souris. The precipitation east of these, he argued, promised successful agriculture. "The vast treeless plain west of the Little Souris lies within that part of the area which receives comparatively a

<sup>7</sup> H. Y. Hind, *Report of The Assiniboine and Saskatchewan Exploring Expedition* (reprinted in "British Parliamentary Papers", 1860).

<sup>8</sup> *Ibid.*, p. 145.

<sup>9</sup> *Ibid.*, p. 135.



small annual rainfall." One of his maps it is described as an "arid plain".<sup>10</sup> Thus, while the boundary between the two areas is given differently Hind's conclusions are not greatly at variance with those of Palliser. Relying largely on the figures for the Red River supplied by (Donald) Gunn, Hind made the precipitation in the Red River valley greater than that of Toronto, 48.5 inches as compared with 30.6. His report thus gave an apparent scientific basis for the optimism with regard to the West which prevailed in Canada—an optimism so far as the public was concerned born of ignorance. Meanwhile that optimism was being fanned into flames by pamphlets, resolutions of Boards of Trade, parliamentary committees, and eloquent speeches, describing the unlimited possibilities of the West. A speaker was making what was doubtless an eloquent oration to a Toronto audience on the agricultural future of the valley of the—here he stumbled at the name, turned to a friend on the platform and said, "What do you call that big river in the Northwest we were talking of yesterday? Saskawitchikum? Is that it?" The correction came, "Saskatchewan."—The speaker's eloquence flowed on in an unperturbed stream.

Factors preventing the realization of the dreams of the Canadians were the poverty of their colony and the belt of shaggy country—hills, lakes, swamps, and rocks—between Canada and the Red River, which they had forgotten or had chosen to ignore at the outset. Not less important was the fact that the annexation of the west became an issue in politics between Upper and Lower Canada. The people of Quebec, led by George Etienne Cartier, saw in it an attempt of the English Upper Canadians to extend their domain and fill it with an Anglo-Saxon population. George Brown of the *Toronto Globe* was advocating representation by population as a means of breaking down the French influence in the colonial legislature. A great Anglo-Saxon west would re-enforce his party, bring his campaign to a successful issue, and give the English a permanent predominance at the expense of Quebec in the colonial legislature. Cartier told Lord Lytton, then Colonial Secretary, that it would ruin him and his party to adhere to the policy of annexing the West. At the elbow of the Duke of Newcastle, Lytton's successor, stood Edward Watkin, who had been charged with the task of rehabilitating the Grand Trunk Railway. This very able organizer believed that relief for his railway would be got by finding for it an ever-widening country to serve. He was

<sup>10</sup> *Ibid.*, p. 133.

for extending it to Chicago, and so to Red River, and ultimately to the Pacific coast. To this end, he interested the Duke in the creation of a crown colony in the Hudson's Bay Territories and in a transcontinental telegraph line and wagon-road as a precursor to a railway. When the Hudson's Bay Company opposed the scheme, he organized the International Finance Society which bought out the company for the small sum of about \$1,500,000. The old company was impressed with the precariousness of its position and, engrossed in the fur trade, was innocent of real estate speculation and the allied art of colonization. The new company was aware of the value of its property from the point of view of colonization and the development of railways. It stood out stiffly for advantageous terms when the question of the transfer of Rupert's Land to the Dominion came to the point of settlement.

Meanwhile Canada was testing out the possibilities of opening up communications with the Red River Settlement. A postal system overland from Fort William was organized but proved an utter failure. On June 24, 1860, the Canadian mail arrived in the Settlement. It was carried by five men and was nineteen days from Fort William and consisted of four newspapers! All the connections of Red River Settlement were really through St. Paul by railway and steamship.<sup>11</sup> Canada could only break this easy connection by constructing a railway through the rocky region west of Lake Superior, and that was not yet a possibility. In 1867 a brave attempt was made by commencing what was to be a combined wagon and steamboat connection known as the Dawson route. This also proved a failure. An indispensable preliminary to the settlement of the Northwest and to the prosperity of its settlers was quick, easy, and cheap, transportation. This is written large in all its history.

While the newspapers of Upper Canada recurred again and yet again to the glowing prospects of agriculture in the Northwest, the farmers of the Red River Settlement were meeting with a succession of difficulties which must have been all the more distressing because a number of Americans and especially Canadians, and of English sportsmen, like Milton and Cheadle and Lord Southesk, were coming into the country.

In consequence of the flood which had taken place in spring . . . the crops in the autumn of 1861 may be said to have failed. Wheat . . . yielded a very poor return, while the barley and potato crops were perfect failures. The misery

<sup>11</sup> The first steamship, the *Anson Northrup*, descended the Red River to the Settlement in 1859.

consequent thereupon was, however, much alleviated by the fortunate circumstance, that the Plain buffalo hunts, with the Lake fisheries, turned out well.<sup>12</sup>

The spring of 1862 was a period of starvation. . . . Daily, dozens of starving people besieged the office of the gentlemen in charge at Fort Garry, asking for food and later in the season for seed wheat.<sup>13</sup>

A grant of 800 bushels enabled the poorer farmers to seed their ground. The harvest of 1862 was below the average. There had been serious damage from a hailstorm in the month of August. Fortunately, it was restricted to an area in the centre of the colony.<sup>14</sup> In 1863 extreme drought seriously injured the harvest. While the wheat crop was somewhat above the average, all other types of crops, especially potatoes, came near to complete failure. Prices soared. The next year, 1864, saw a severe drought, such as had not hitherto been known in the Settlement. It was not broken by rain before the middle of July. With the great heat came a swarm of grasshoppers which was disastrous to the growing crops. The depredations of the grasshoppers continued in 1865, but were largely confined to the part of the Settlement occupied by the Scots "who were probably better able to support the loss than any other portion of the community." The crops in St. Paul's parish were destroyed.

In 1866 some parts of the Settlement experienced a failure of their crops

chiefly in consequence of grasshoppers, early frost, and blackbirds but, on the whole, the harvest was very good. The succession of poor, or at least only partially-successful, harvests for a seriously long term of years had weighed heavily on the agricultural interest of the Settlement and predisposed people to coincide with the Bishop in the desire of holding a day of public thanksgiving for the exceptionally abundant yield.

The harvest of 1867 was considerably injured by a vast cloud of grasshoppers which lighted upon the Settlement at the beginning of harvest. "Almost all the oats and barley were entirely destroyed, the wheat greatly injured." This swarm deposited its eggs in the ground, and in the spring the larvae completely destroyed the crop. The suffering was accentuated by the parallel failures of the buffalo-hunt and the fishing-grounds. An appeal was sent abroad and large sums were raised in England, Canada, and the United States. The Canadian government inaugurated a scheme of relief by

<sup>12</sup> J. J. Hargrave, *Red River* (Montreal 1871), p. 208.

<sup>13</sup> *Ibid.*, p. 219.

<sup>14</sup> *Ibid.*, p. 247.

building the western end of the Dawson route, from Winnipeg to Oak Point, a point of the northern forest west of Lake of the Woods which juts out into the prairie 30 miles east of the Settlement.

Meanwhile a number of Canadians and a few persons from the United States had come into the Settlement. They do not seem to have been so much agricultural settlers as men who wished to pluck the earliest fruit of the occupation of the country by Canada. A small party came in as early as 1856 hoping to enter the fur trade despite the Hudson's Bay Company, but achieved nothing. Soon after, Dr. Schultz took up residence as a physician and also opened a store. In the autumn of 1859 William Coldwell and William Buckingham came in with a printing press—the second to appear in the colony—and established a weekly newspaper, the *Nor'Wester*. Later William Spence came to practise law. A small group settled at Portage-la-Prairie and devoted itself largely to farming. The point of view of these Canadians was essentially that of the Canadian Government—that save for a few half-breeds, whom they despised, the country was unoccupied, that the Hudson's Bay Company had no title to the soil, that it misruled the Red River Settlement, and that the occupation of the region by Canada would be an unmixed blessing. In the fifties the public of the Settlement had looked to the absorption of the country by Canada with great satisfaction, but the views and the actions of the Canadians and the Canadian Government effectually checked this enthusiasm, and by the end of the sixties transformed it to hostility. The settlers believed that they were a colony, that their Council and forms of government and justice had been satisfactory enough, but they looked to the opening up of the country as promising a step in advance. The Canadians and in particular the *Nor'Wester*, denied the title of the company and held up its institutions to ridicule. The denial of the title of the company carried with it the implication that the title to the soil given to the settlers was invalid. Within two months of its first appearance, the *Nor'Wester* brought to the front a claim of the Indians that Lord Selkirk had not bought the Indian title to the Settlement. Old settlers denied this vigorously, but the effect was to create anxiety as to what would happen when Canada took over the country.

Then, too, the prestige of the Hudson's Bay Company had suffered through the restive spirit that grew up when the settlers, and particularly the half-breeds, had made trade connections with St. Paul, and a trade in furs began in spite of the monopoly. The

restrictions on the importation of whiskey, which was an integral part of this trade, made the "free-traders" impatient of the liquor laws which prevailed in the Settlement. The sale of the charter and property of the company to the International Finance Society further diminished the prestige of the company. The agitation of the Canadians against the company, and their ridicule of the Council and of the law courts, shook the colony to its foundations. On three occasions, crowds, openly supported by the

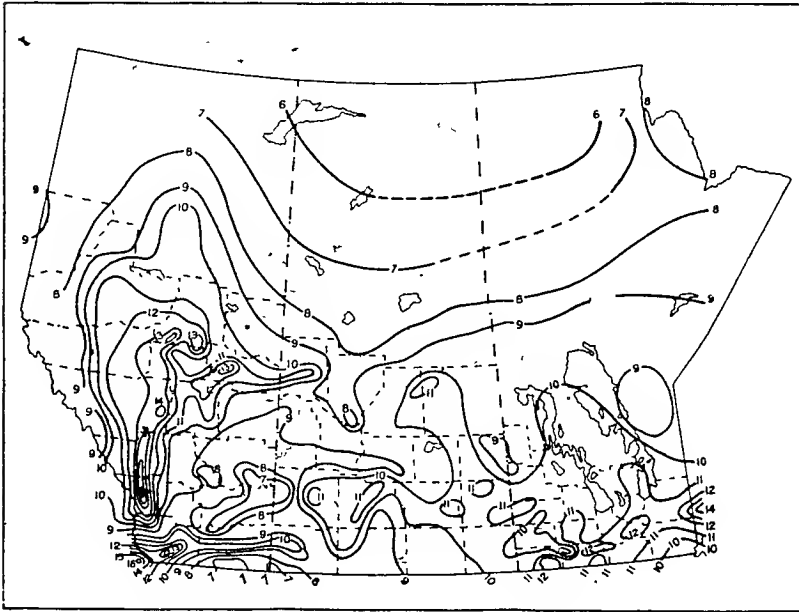


FIG. 4.—Mean warm-season precipitation (April 1st to Sept. 1st) in inches (based on map in *Statistical Atlas*).

*Nor'Wester*, broke open the jail and liberated prisoners. Mr. Spence, who had removed to Portage-la-Prairie, despite the rights of the company, proclaimed what came to be called the Republic of Manitoba as the government of that region, he himself being President. These proceedings alienated from the Canadians all those parts of the Settlement which had sent their leading citizens to the Council and which regarded the Council and its law courts as the legal government of the colony. When Confederation loomed on the horizon and with it the transfer of Rupert's Land to the Dominion the settlers no longer looked eagerly for it. The Canadians held meetings, which were attended by none but themselves, and passed resolutions in favour of the transfer of the country to

the coming Dominion. The *Nor'Wester* broadcasted these resolutions in Canada with the effect of concealing the true situation from the Canadian Government. That government was placed in an inviolous light when the wages of the starving workmen on the Dawson route were paid, not in cash but in provisions, to be procured only at Dr. Schultz's store at Oak Point at prices materially higher than those prevailing at the Hudson's Bay Company's Fort Garry. Officers of the party building the Dawson route got Indians drunk and secured from them title to certain lands at Oak Point, though they were already settled by half-breeds. Charles Mair, in the service building the road, wrote letters ridiculing the manners of the half-breeds. These were published in the *Toronto Globe* and brought the indignation of the settlers to boiling point, for in the Settlement the half-breeds were a respectable middle class, rather than the outcasts the Canadian public envisaged by the term. Governor Mactavish's wife was an educated half-breed of remarkable grace and dignity, and he protested in indignant terms that she was fit to grace any table. Into this powder magazine the Canadian government walked, all unawares, believing that it would be welcomed by the whole population. To begin with, the settlers had all along had a Council of their own, which, though nominated, had really been very representative in character. The company's officers, the two bishops, and leading citizens in the several parts of the settlement, English and French, English half-breeds and French half-breeds—all residents of the colony—had sat on it as the rulers of the land. On June 22, 1869, a measure, entitled *An Act for the Temporary Government of Rupert's Land and the North-Western Territory when United with Canada* was passed by the Canadian parliament. It slumped the Red River Settlement and the empty spaces beyond it into one political unit, "The North-West Territories." It provided for its government by a Governor and Council appointed by the Governor-General in Privy Council. Nothing is said as to the constitution of the Council, but it is now known, and was then shrewdly suspected, that but few Red River settlers would be on it and that the Council would be predominantly Canadian. Even the *Nor'Wester* had been claiming that the next stage in the political development of the colony would be an elective council and responsible government. The major part of the Red River settlers regarded a council most of whose members were coming to them from abroad as a step backward rather than forward, and were estranged.

The Act was silent about the title of the settlers to their lands. The anxiety in this matter was partly due to the causes enumerated above, but it was also due to the very primitive land system. While a few lots may have been sold to settlers in fee simple, most of the land taken had been on a lease of 999 years. While there had been a land-book, in which titles were registered, the land had been treated much as any other commodity for sale at the company's store. A sale was entered in the book, and a paper given registering the same. It appears that at times all parties were careless in this matter. Even more careless were the settlers in their dealings in their lands. The sale of a portion of a lot might be evidenced in a sentence on the margin of the original paper, or in a simple receipt, or again not evidenced in any paper at all. If this was the case with the English settlers, the situation of the half-breeds was even worse. Many of them, especially those on the outskirts of the Settlement, had simply squatted on the land, and the company had not interfered at all. A clause in the Act promising respect for all the rights of the original settlers in the land would have set to rest anxieties raised by the Canadian immigrants.

The transfer of Rupert's Land to the Queen was finally arranged between the Imperial Government and the company, the terms being reached by negotiations to which the Canadian Government was a party. It was to take place and the re-transfer from the Queen to the Dominion accomplished by December 1st, 1869. But the negotiations, which were conducted without reference to the Council of the Settlement, aroused the indignation of the people. They felt they had rights which should be safeguarded in the transaction. They proudly spoke of their settlement as a "colony" and were offended at being passed over. The cup of their indignation ran over.

In the summer before the date arranged for the transfer, the Canadian Government acted with an undignified precipitancy. They entered into their new possession before it was theirs. Survey parties were sent in, it is true not to effect a survey, but to locate the meridian line which was to be the basis of the survey. These parties surveyed over the lots of certain half-breeds, apparently without explaining what they were about. To the untutored minds of the breeds it appeared a re-survey of their lots and Louis Riel led out a crowd of indignant but unarmed half-breeds, and forbade the survey. The surveyors prudently retired.

Then too, William McDougall, the Governor-to-be, was sent in,

as if there were no Governor in the colony, to prepare the way for himself. Louis Riel, with keen insight, perceived that if McDougall installed himself as Governor, any movement against him thereafter would be fraught with much more serious consequences than the prevention of his entry when he was still a private citizen. The half-breeds stopped the Governor-to-be at the border. When McDougall and the Canadians appeared to be planning a military movement against him, Riel, with equal insight, seized Fort Garry and made himself master of the situation. At first the English in the Settlement were uneasy at the leadership assumed by the French, and at their resort to physical force, but by December Riel had largely won their support. On February 11, 1870, at the convention of delegates elected by the residents in the different parts of the Settlement and called with the approval of Donald Smith, afterwards Lord Strathcona, sent out by the Canadian Government as their representative, a list of rights was drawn up and it was agreed to send delegates to represent the claims of the colony to the Dominion Government. In the list of rights in the form presented to the Dominion Government are included, that the Settlement shall be a province enjoying equal rights with the other provinces, and representation in both houses of the Parliament of the Dominion; that the property rights of the people shall be respected; that the natural resources shall belong to the people of the province. Practically all the demands made, except the control of the natural resources, were granted in a more or less modified form, and became law in the *Manitoba Act*, 1870. An Act was passed in the next year making further provision for the government of the North-West Territories, no longer including Manitoba, by a Governor, to be the Lieutenant-Governor of Manitoba, and a Council.

On June of 1870, the Hudson's Bay Company surrendered its charter to the Crown and momentarily Rupert's Land, i.e., the Company's Territory regarded as the basin of Hudson Bay, remained in the hands of the Queen. The North-West Territory, that is, the land beyond, mostly the valley of the Mackenzie River, which had never passed out of the control of the Crown was added to it, and both regions were transferred to the Dominion of Canada by an Order-in-Council, dated June 8th, 1870.

Thus the Canadian Northwest was incorporated in the Dominion of Canada. From the point of view of this study, the fundamental problems of the country as an agricultural region—transportation,



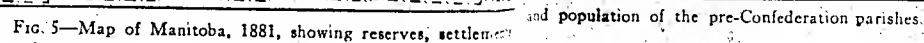
and a produce sure enough to support a large settlement and capable of being marketed profitably—were passed over with the land to the hands of the Canadians.

### CHAPTER III

## PRE-RAILWAY SETTLEMENT ON THE FIRST PRAIRIE LEVEL, 1871-1881

WHEN the North-West Territories and Rupert's Land were transferred to the Confederation, the ministers of the Dominion apprehended the needs of the country more accurately than they had done before the Riel movement of 1869. The creation of the diminutive province of Manitoba of 1870 took from their cognizance all provincial and local matters in an area whose boundaries were defined in the first clause of the Manitoba Act as running along the "forty-ninth parallel of latitude, the International Boundary, from 96° West, longitude to 99° of west longitude", thence due north to 50° 30' north latitude, thence eastward along "that parallel of latitude to the aforesaid 96° west longitude, thence due south to the International Boundary".<sup>1</sup> All that the Dominion Government was concerned about was to get the provincial institutions established with the least possible friction. This was accomplished by Lieutenant-Governor Adams Archibald with admirable tact and firmness. His census, taken in the summer of 1870, enables us to gauge the settlement of the country at the point of its entry into the Dominion. The people had all along been established in narrow lots running back from the Red and the Assiniboine Rivers. The census does not distinguish the English from the French, but the enumeration of the Catholics and Protestants indicates roughly where the two types of people were settled, while those whose religion was not given under these heads may be taken, as a whole, to be pagan as distinguished from christianized Indians (Fig. 5). Roughly, the population on the left bank of the Assiniboine and Red Rivers from the parish of Headingley northward to St. Peters was of British extraction (including the English half-breeds), while the French-Canadians and French half-breeds were on the east side of the Red River in the parish of St. Boniface and farther up on the west side in St. Vital, St. Norbert, St. Agathe, and at the boundary. On the Assiniboine, they were south of the river in St. Charles but mostly

<sup>1</sup> In 1877 an act adjusted this boundary to the survey then carried out. It followed the road allowances and the correction lines *Statutes of Canada* 40 Vict. c. 6.



north of it in St. Francois Xavier and Baie St. Paul. Add to these the parish of St. Anne des Chenes (Oak Point) on the Dawson Road. Outside of these limits the population was pagan Indian save that there was an embryo English settlement at Portage-la-Prairie.

The duty, not only of installing institutions but of governing the spacious area called the North-West Territory, beyond the province of Manitoba, lay upon the Dominion Government. The Lieutenant-Governor and Council, instituted to legislate upon local matters, had at the outset but little revenue and few people apart from Indians to rule. The total revenue for 1877-1878 raised in the Territory was \$526. All the major problems were kept for solution by the Dominion Government.

The measures taken to prepare the way for settlement in the country as a whole need little more than mention. In keeping with British tradition, great stress was laid upon law and order. Laws were promulgated; courts were established by the several governments. The British policy of upholding the independence of the bench was followed. A police system was inaugurated. As far as this lay within the jurisdiction of the province of Manitoba it was provided for by the local legislature. The Dominion Government created the police force for the North-West Territory. The speed with which the North-West Mounted Police established law and order in the Territories is the pride of the force and a credit to the Dominion Government.

Covering the area of both the Province and the Territories were measures dealing with the Indians; with the original settlers; with the survey of the land; with transportation; and with the encouragement and control of immigration. A succession of treaties with the Indians placed them on reservations as the wards of the Queen, and left the rest of the land open to settlement. The title to their land claimed by the English and French settlers and half-breeds, whether proved by papers or by long occupation, was recognized and fresh titles under the Dominion law were issued.<sup>2</sup> Claims of the half-breeds to consideration, such as the Indians were receiving, were met by setting aside 1,400,000 acres for the benefit of their families interpreted as meaning unmarried children.<sup>3</sup> Four years later the scheme was extended to include heads of families.<sup>4</sup> At first reservations were set aside (Fig. 5).<sup>4</sup> These, however, involved

<sup>2</sup> *Statutes of Canada*, 36 Vict. c. 34.

<sup>3</sup> *Ibid.*, 36 Vict. c. 37.

<sup>4</sup> *Ibid.*, 36 Vict. c. 38.

inconveniences both to the half-breeds and to incoming settlers. James Trow, member of parliament, and chairman of the parliamentary committee on colonization, who took a trip through the country in 1877, referring to the whole system of reserving large blocks of land for different types of people, says: "Many of these reservations are not for the interest of the Province, and must and will retard legitimate colonization, unless thrown open for settlement. Bringing into the market the half-breed reserves is a step in the right direction".<sup>5</sup> The government now gave the half-breeds a paper, "scrip", entitling the individual to his allotment of land. He could choose his lot anywhere within the land open for settlement and, on production of the "scrip", receive a patent for it. A half-breed, who set little value on the land and more on ready cash, would sell his "scrip" to a speculator, often for a sum much below the value of the land represented by the scrip, even for a horse, and in some instances for liquor. Thus the system of scrip stimulated speculation in land to the detriment of sound business. Six thousand and thirty-four allotments in all, of 240 acres each, totally 2,448,160 acres, were made to the half-breeds. The same Act which granted the claim of the half-breeds recognized rights asserted by the children of the settlers in what was once Lord Selkirk's Colony. Forty-nine thousand acres were to be set aside for them. A first reservation was made for them in townships 15, 16, 17, range 11, and in township 15, range 10, west of the principal meridian. The claimants, however, were afterwards allowed to take out their allotment by scrip. The total allotments made under this scheme numbered 800 of 160 acres, or a quarter section each. As the government was selling land at \$1 an acre, this represented \$128,000 in cash.

Scrip for 160 acres of land was given to participants in Col. Wolseley's expedition to the Red River. Some 400 claims were filed under this regulation:

After these claims were met, as well as others,—as for example, claims to hay lands which in the early days had played the part which commons did in England, and the Hudson's Bay Company's reservation, one-twentieth of the fertile belt,—the remainder of the land was open for settlement and for the use of the government in promoting immigration and providing railway transportation.

The survey of the land was another pre-requisite to settlement.<sup>6</sup>

<sup>5</sup> James Trow, *Manitoba and the North-West Territories* (Ottawa: Department of Agriculture, 1878), p. 17.

<sup>6</sup> The history of the survey is given in a report by Col. J. S. Dennis published in Report of Department of the Interior, 1891, *Sessional Papers of Canada, 1892*, Part VI, pp. 1-31.

It was to be in square townships, divided into sections of 800 acres, and subdivided into quarter sections, but in 1871 the United States scheme of townships 6 miles square with 640 acres was adopted as likely to be more familiar to immigrants. An innovation was the road allowances of one and a half chains between the sections. In the surveys of 1881 and thereafter, these were reduced to 1 chain or 66 feet and three of the east and west roads in each township were done away with (see Part II, Fig. 8). The result was more land for cultivation and a lowered cost for the survey. In the actual survey attention was first given to the previous surveys and to the allotments already taken up. In keeping with this the banks of the rivers were surveyed in narrow lots after the tradition of Quebec and of the Red River Settlement. The first quarter sections (subdivisions) were surveyed in the summer of 1871. By 1876, 10,574,915 acres had been divided into townships, sections, and quarter sections. This made ample provision for the incoming settlers, especially as commercial depression, and the grasshopper plague of the previous three years had reduced the volume of immigration. Attention was therefore turned in 1878 to a number of new settlements which were growing in distant parts of the North-West Territories, and detached surveys were made of Edmonton and its neighbouring settlements, of Prince Albert and St. Laurent (in river lots) and Battleford. The larger lines of the survey were being drawn in the Territories. These surveys, along with the more general observations of the country, especially those of John Macoun covering the whole region from Peace River to the international boundary, tended to efface the arid belt of Palliser and Hind from the map of the Territories. Each year's operations proved that the area of arable land was much greater than had been previously estimated. Of special importance was Macoun's survey of the Souris River Valley and the Regina plain to the west. He describes much of the soil as exceedingly rich and, above all, not without moisture.

Although the ground appeared hard and dry it is not so. In reality, about eighteen inches of the surface was quite soft and so easily penetrated, that almost without an effort, a spade could be thrust into it up to the head. Beneath this, the clay was very hard and dry. All the spring and summer, rain enters the soil quite easily, by means of the cracks surrounding each hummock. . . . The moisture descends almost at once into the soil, and owing to the imperviousness of the clay, is retained near the surface, or just below where the soil is friable. The winter frosts expand this moist soil, and instead of these cracks being caused by the sun, they are frost cracks, produced by the heaving of the soil.<sup>7</sup>

<sup>7</sup> John Macoun, *Manitoba and the Great North-West* (Guelph: 1882), p. 58

Macoun attributed the richness of the grass in the region to the moisture retained on the clay bed and inferred that all that country would make a great wheat region. These views had a great influence on the spread of settlement over the plain but, more immediately, on the change of the route of the transcontinental from the north through the so-called fertile belt to the south, much nearer the international boundary.

In the decade under consideration the Dominion Government busied itself planning for a solution of the problem of transportation. Surveys were made in all directions. Two conceptions fixed the route as first drafted—1st, that the Yellowhead Pass was the most, if not the only, feasible route across the Rockies; 2nd, that the fertile belt of the Saskatchewan, as contrasted with the arid plains to the south, would be, from the railway point of view, the productive country (Fig. 3). Accordingly, the line from Fort William, which was to reach the Red River at a point which was given the name of Selkirk, was to pass between Lakes Winnipeg and Manitoba, crossing the latter at the Narrows, and was to run in a northwesterly direction to the valley of the Swan River. It was there to turn westward, and cross the South Saskatchewan about 12 miles north of the present Saskatoon, at Clark's Crossing (the present Clarkboro) where J. F. Clark soon installed himself to await the development of a city which is yet to be. Reaching the North Saskatchewan at the Elbow, it was to follow the south bank of the river to Battleford, and thence run westward to a point south of Edmonton, and so to the Yellowhead Pass. Things stood thus when the task of building the transcontinental was handed over to "The Syndicate", the present Canadian Pacific Railway Company, in 1881. Macoun's belief that the so-called arid belt of the south would be a great wheat-raising country, along with other factors to be mentioned later, brought about a complete change of plans and put the railway through the southern plain across the so-called dry belt, in fact.

The prime assumption of all plans for transportation to and from the Northwest as prepared by Canadians was that the railway should be through British territory. The attempt to secure a feasible wagon route (the Dawson Road) from Lake Superior to the Red River by land and water had not been abandoned by the Government after Confederation, in spite of the difficult nature of the country. By 1871 the cart road from Thunder Bay to Lake Shebandowan (45 miles) was reported by the Minister of Public

Works as in "excellent condition".<sup>8</sup> The road from the Lake of the Woods by Point des Chenes to Winnipeg (95 miles) was passable. The 310 miles of broken navigation was being made easier by steamboats. Contracts were signed for "two powerful steamboats to ply on Rainy Lake (46 miles), and Rainy River, and Lake of the Woods, 120 miles of unbroken navigation." An emigrant transport service was organized, and the fare from Thunder Bay to Fort Garry fixed at \$25. In 1872, 604 passengers were carried one way or the other. Among these were volunteers sent out to quell the Fenian raid. In 1873, 100 immigrants passed through; in 1876, 2,172 passengers (one way or the other). All the efforts of the Government, however, could not make this route a success in the face of railway transportation through the United States to the upper Red River, and thence by steamboat downstream to Fort Garry. Most of the visitors to the Northwest who have left records of their trips travelled over this United States route. The hopes of the Canadian Government were accordingly transferred to the Canadian Pacific Railway, as their transcontinental scheme was called.

The Dominion was committed to build a railway to the Pacific within ten years from 1871, by the terms under which British Columbia came into the federation. Access to the Northwest was an equally-compelling motive for the line. A first proposal was prepared by an Englishman from British Columbia, Waddington by name, in conjunction with Americans interested in the Northern Pacific Railway. This line was to be the connecting link between two Canadian companies, one in Ontario which would build to the Sault Ste. Marie, and one in the Northwest which would run from the international boundary at the Red River by way of the Yellowhead Pass to the Pacific coast. Transcontinental traffic whether American or Canadian was to pass over these lines, Portland, Maine, being designed to be the Atlantic terminus. Had the economic interests of the Northwest been the sole consideration, this scheme would have offered many advantages. It would have met the immediate need for transportation within the shortest possible time. James Trow, member of parliament, writing from Winnipeg on July 30, 1879, said: "I believe it would have been to our advantage had the Government or a Canadian company years ago leased the Northern Pacific and constructed this road to Winnipeg. We hold undisturbed possession of the Portland branch of

<sup>8</sup> Report of the Minister of Public Works, 1871, *Sessional Papers of Canada, 1872*, p. 41.



the Grand Trunk and could have so managed matters as to have the management of this line for the next half century."<sup>9</sup> National ideals and antipathies, not to mention the pressure of politicians hungry for the profits of the contracts for an all-Canadian line, led to the rejection of Waddington's scheme without consideration (1871). The result was that the Canadian Pacific to the Red River was only approaching completion at the end of the period under consideration. It was at this time being built as a national enterprise. However, the Government completed the side line from the international boundary at Emerson to Winnipeg on November 7th, 1878. A result of the delay was that the early settlers found their way to their locations with carts drawn by horses or oxen, either brought with them or purchased in the country, and that they followed old trails leading into the plains either from the international boundary or from Winnipeg. They spread themselves out in fan shape from Winnipeg, without regard to future needs in the form of railway transportation.

Meanwhile the Government formulated its land policy in Orders-in-Council of April 25 and May 26, 1871, followed by the Land Act assented to on April 14, 1872.<sup>10</sup> Section 33 of the act provided that any person who was a head of a family, or was twenty-one years of age, could enter a free homestead on the even-numbered sections and a wood-lot, if such were required to provide the farm with lumber and fuel, no patent to be issued for the land until the expiration of three years. Proof of actual settlement and cultivation had to be laid before the local land agent. Other lands, not withdrawn as being reserved for the Hudson's Bay Company, for schools, etc., or as timber limits, were to be sold at \$1 per acre, no one to purchase more than a section. Leases were to be granted for grazing lands, and hay and timber lands.

Another Act<sup>11</sup> assented to on June 14 of that year, created the machinery for immigration. It provided for immigration districts and agents and for Immigration Aid Societies within the districts. Such societies must consist of at least twenty-five persons, with a paid up capital of not less than \$500. The society could make application for workmen, of whatever kind, from the United Kingdom, needed by any particular employer or employers committed to employ them on arrival in Canada, and might receive all or part of the passage money, the Immigration Agent in the United King-

<sup>9</sup> James Trow, *op. cit.*, p. 14.

<sup>10</sup> *Statutes of Canada*, 35 Vict. c. 23.

<sup>11</sup> *Ibid.*, 35 Vict. c. 29.

dom to secure the necessary papers from the immigrant obliging him to repay, according to terms specified.

Finally, the Government placed agents to secure immigrants in promising cities, chiefly in Europe, and a Select Committee of the House of Commons on Immigration and Colonization was constituted, with James Trow as chairman, to exercise a general supervision. The first report of this committee (1875) mentions with satisfaction the agreement of the provinces, Ontario, Quebec, New Brunswick, and Nova Scotia, with the Dominion Government for centralizing in the Minister of Agriculture the management of the agencies abroad and to promote immigration to Canada. Thus the Dominion Government charged itself with securing immigrants abroad, and the provinces with caring for them on arrival. Very considerable sums were voted by parliament to promote immigration.

The obligations of the Dominion Government, so far as the Northwest was concerned, to fill up the land were direct and great. Their earliest definite plan was to grant large reservations to individuals and societies who would bring immigrants in. An Order-in-Council of 18th September, 1872, set apart 100,000 acres for a Swiss colony; an Order, dated 16th Oct., 1872, set lands apart for a German colony to be organized by the German Society of Montreal. But little colonization was effected by this society. An Order of 28th November, 1872, setting apart land for a Scottish settlement, was equally futile. Very much more successful was the reservation for the Mennonites of nine and one-third townships, made by Order-in-Council of Mar. 3, 1873 (see Fig. 5). A later order set aside no less than 17 townships for these people. The Report of the Department of Agriculture as early as 1877 gives a favourable account of these settlements.

The Mennonite colonies were found to be in a very flourishing condition, giving evidence of very great and persistent energy. The oldest of these colonies, called the Rat River Settlement, on the east side of the Red River, was barely three years old at the time of this visit. It was, however, found to contain 38 villages, having from 10 to 34 houses, with outbuildings in each village. The houses were very substantial, some of them of the size of 26 by 40 feet, with very considerable outbuildings attached. The crops were satisfactory, the average being 25 bushels to the acre. This settlement had one steam mill and three windmills in operation. Domestic animals of all kinds appeared to be quite numerous, and in good condition. In almost every case, gardens were made around the homestead, and a considerable beginning in tree planting was made. The total number of families in this settlement was about 700, and it was supposed the settlement would have about 30,000 bushels of wheat for sale. Men, women,

and children alike work in the fields at all kinds of outdoor labour. The Pembina settlement on the west side of the Red River is much newer than that at Red River; it presented, however, the same general features. The number of villages it contained was 25, and of families, 485. . . . The total number of Mennonites in Manitoba is 7,000<sup>12</sup>

There was no fear but that they would repay the Government loan with the aid of which they had come to the country. The writer of the *Letters of Rusticus*<sup>13</sup> passed through the village of Blumenhof in the spring of 1879 and saw the village herd of 127 cattle out grazing. The village herdsman gathered the cattle from the stables in the morning and drove them as one herd out to pasture, returning them to their owners in the evening. The villages had then purchased a number of new steam threshing-mills.

An Order-in-Council of March 13, 1874, set aside a reservation for re-patriated French-Canadians. These settlers began to arrive in 1875. In 1876, 361 came in from the New England states, and 563 in 1877. The total from all parts for this last year was 836. The stream was soon dried up, and the final result was not commensurate with the expectation of those who promoted the scheme, largely with government money. The Manitoba Colonization Society cared for the comfort of the immigrants after their arrival and during their settlement.

On October 8, an Order-in-Council set apart a reservation of rather more than six townships for a colony of Icelanders. The settlement was to extend for 30 miles along the west shore of Lake Winnipeg, and to afford the people, who were fisherfolk, fisheries in addition to their farms. The colony was called New Iceland, and its chief village Gimli (that is, Elysium). It proved no Elysium for one-seventh of the some 1,500 settlers were swept away by smallpox in the winter of 1876-1877. As the quarantine prevented seed from being taken into the settlement till late in the season, the grain crop of 1876 was negligible. The people subsisted on fish and potatoes. The Government made arrangements by which this colony was supplied with cattle. The source from which these immigrants were drawn was restricted, and the colony did not reach large dimensions. The people, however, were of a fine type, and the young folk were very acceptable when they went out to service—the young men on the farms of Manitoba, and the girls in the homes of Winnipeg. Money thus brought in by the

<sup>12</sup> See also, in this series, Vol. VII, Part II.

<sup>13</sup> David Currie, sent out in 1879 as "special commissioner of the Montreal Witness", *Letters of Rusticus* (Montreal 1880), p. 68.

young people was a considerable help in the early and more distressing days of the settlement.

Sections 14 and 15 of the Dominion Lands Act of 1874 gave the Government power to reserve lands for individual promoters of immigration, and to sell to them the sections set apart for sale in the reserve at a lower price than the standard of \$1 an acre—this with a view to the promoter receiving some reward for his expenses. Provision was made for advancing not more than \$200 to the immigrant, and for making it a charge on the homestead taken. Under these provisions an Order-in-Council, dated May 11, 1877, set apart tp. 13, range 19, and tp. 12, range 20 for the Dominion Steamship Company. The company was required to place 64 settlers on the free homesteads in each township, when the Government would sell the lands reserved for sale at fifty cents an acre to the Steamship company. The results of this and other arrangements of the kind with private parties were disappointingly small.<sup>14</sup>

The whole scheme of reservations really tended to retard settlement. James Trow comments upon it:

The Province of Manitoba contains about 9,000,000 acres or 14,000 square miles, divided into 360 townships. A very large portion of this Province is set apart by reservations of various kinds which retard its progress and development seriously. I am persuaded that hundreds of intending settlers will not remain in the Province on account of these reserves. Leaving the settled portions and passing through the reserves for miles to new settlements, without roads, cannot but be very discouraging. The most eligible locations to the extent of 1,400,000 acres were set apart for the half-breeds; 1,900,000 acres for the railway reserve; 500,000 acres for the Mennonites; several townships for Indians and repatriated Canadians. Then there is the Hudson Bay [Company's] reserve of one-twentieth of the whole, or 450,000 acres; and there are sections 11 and 29 in each township for educational purposes and Indian reserves. Many of these reservations are not for the interest of the Province and must and will retard legitimate colonization, unless thrown open for settlement.<sup>15</sup>

When Trow wrote (1877) the Government had, by adopting the scrip system, thrown open the half-breed reserves. On July 31, 1878, an Order-in-Council avoided the reservation system while offering a reward to the promoter of immigration. Anyone who placed a settler on a homestead was to receive half of the adjoining section. This arrangement proved somewhat more successful. Under it Messrs. Pretty and Young of Toronto settled a considerable number at Minnedosa and Rapid City. The settler took a homestead of 160 acres free, and could get 80 acres of the adjoining

<sup>14</sup> See, in this series, Vol. III, Part II, Chap. I.

<sup>15</sup> James Trow, *op. cit.*, p. 17.

quarter section as a pre-emption at \$1 an acre. The remaining 80 acres he would have to purchase from the promoters at an agreed price. Some settlement on these lines at Birtle was accomplished by J. H. Wood of Woodstock and J. J. Crawford of St. George. Ont.

The major part of the settlers were not coming in under these artificial schemes but on their own initiative aroused by the many pamphlets issued by the Government and by others. These immigrants usually made their way from the international border to Winnipeg. The earliest seem to have had some capital and to have bought farms in the settled areas. Their successors followed trails, old and new, beyond the settled area and the reservations, and made settlements in the outlying parts. The area in which new settlements existed in 1875 is indicated on Figure 5 by the insertion of the names of the settlements then established. Trails running out from Kildonan towards Shoal Lake gave rise to settlements beyond Stoney Mountain, such as Grassmere, Rockwood, Argyle, and Woodlands; and farther east, Victoria, Brant, Greenwood, and Dundas. Immigration followed the Assiniboine trail to and beyond Portage-la-Prairie. This issued in settlements like Union, Poplar Heights, Ossora, and Melbourne, all on the Winnipeg side of Portage-la-Prairie and behind the old river-settlements. The more venturesome immigrants went beyond the Portage, following what was called the north trail to the rich valley of the Whitemud River, where they began Westbourne, Woodside, Palestine, and Livingstone, and near Pine Creek, Golden Stream. On the south trail Burnside came into existence on the banks of Rat Creek. Southwest from Winnipeg and beyond the low marshy lands, with which the large half-breed reservation was endowed, stood Boyne. In the marshy region west of the Indian reservation near Lake Winnipeg Clandeboyne was settled. In the wet brush lands to the east of the Red River, Springfield, Sunnyside, Millbrook, Richland, and Plympton had their being. Approached by the Dawson Road were Prairie Grove and Clear Springs. Within easy reach of the Red River and settled directly from the international boundary were White Haven, Almonte, Melwood, Marais, Franklin, Parry, Dufferin, Hudson, Belcher; and at the boundary itself Emerson and West Lynne.

The general commercial depression of 1876 and the plague of grasshoppers which destroyed the crops of 1873, 1874, and particularly 1875, checked immigration. The movement, however,

began again in 1877. With that year too a succession of exceedingly wet springs began, and greatly affected the distribution of the settlers. The lands on the low level of the valley of the Red River were largely passed by for the uplands, though these were considered less fertile. In 1876 settlers went west from West Lynne to Nelsonville at the foot of Pembina Mountain. From the following year they ascended that ridge, which is strictly no more than the shore of the lake which once filled the valley of the Red River. They found the upper plain as fertile as the valley below and provided with a considerable growth of wood. This important discovery covered this region with new settlements.

The lower townships of range 7 and of range 8 (represented on the map by the names Mowbray, Darlingford, Newhaven, and Lorne); of range 9 (Snowflake, Ruttanville, Archibald, Somerset, Beaconsfield); range 10 (Silver Spring, Swan Lake, Grenfell); ranges 11 and 12 (Crystal City, Clearwater, Paisley, Preston) had a very considerable settlement by the end of 1881. Thus the second prairie level (in the neighbourhood of North Dakota) on which the annual moisture varies from 17 inches downward to but 13 inches was being occupied.

The excessive rain during the springs of the years beginning with 1877, so excessive as to drive would-be immigrants out of the country disgusted, influenced the course of migration in the north of the province. Here also it drove the more venturesome settlers westward to the drier regions. The mud of the wretched trails made transportation over the long distances all but impossible, but this was more than compensated by the high waters in the Assiniboine. In 1876 a steamer, the *Prince Rupert*, had displaced the stagecoach running between Winnipeg and Portage-la-Prairie. The following year, the steamboat *Manitoba* ascended to a point where there were rapids, 8 miles above the mouth of the Souris River, to Rapid City Landing as it was called. From this point of debarkation settlers proceeded to the Little Saskatchewan River, which became now the popular region. In 1879 the steamer was able to ascend to Fort Ellice, from which point Birtle (so-called from the Bird Tail Creek) was settled. The steamer was also responsible for settlements on what was called the Souris Plain. at Rounthwaite and Rock Lake, as also Odanah and Minnedosa to the north. Passengers for these "twin cities", at the spot where the "north trail" crossed the Little Saskatchewan, were landed at Grand Valley (near the later Brandon) where the nucleus of

a city was formed. By 1881 a number of place-names appear on the map to the east of these farthest settlements in more or less direct relation to the north or south trail—Elton, Fairview, Petrel, Wellwood, Oberon, Osprey, Neepawa, Salisbury, and Eden. The attraction of the region lay in its comparative dryness and in its wood supply. Near the north trail and reaching out from Minnedosa to Birtle were Cadargis, Newdale and Marney, Shoal Lake, and Strathclair. A little advance guard of settlers was at Shell River. In the autumn of 1881 the "Syndicate" had built the Canadian Pacific to Brandon and were operating trains. A rush of immigrants set in to make the city and to occupy the fine farming lands of the region. With railway communication across the province, from east to west through Winnipeg, and northward from Emerson at the international boundary to that city, the first phase of the settlement may be said to have come to an end. On March 21, 1881 an Act of Parliament<sup>16</sup> was assented to, extending the western boundary of the province of Manitoba to its present position, viz., along the road allowance between the twenty-ninth and thirtieth ranges west of the principal meridian, and placing the northern boundary near the great bend of the Swan River, along the road allowance on the twelfth base line. It brought all the region thus far settled within the province. According to the census taken the following summer the population of the province had increased from 18,995 in 1871 to 65,954 in 1881—something more than three times. The population of Winnipeg had risen from 241 in 1871 to 7,985 in 1881—some 33 times larger. Thus, proportionately the town was growing much more rapidly than the country. This means that many immigrants came in to find their place in the organization of the settlement as employers or employees, rather than on the farms. The flour and lumber mills and the like of Emerson, Winnipeg, and Portage-la-Prairie, were all necessary for the development of the country. Men securing their livelihood dealing in lands were likewise in place. It was only when the toll exacted from the incomers reached a height beyond all reason that men of this type became an incubus on the development of the province. This is most evident in the dealings in land. The possibility of buying scrip for a song and selling the land at an exaggerated price drew men from farming and other occupations. This was not good for the province. Still less was it to have the

<sup>16</sup> *Statutes of Canada*, 44 Vict. c. 14.

land sold beyond its true value. With the arrival of the railway, the boom in Winnipeg reached its height.

The excitement during the fall of 1881 amongst real estate owners was intense. Nothing to equal it had ever before occurred on Canadian or British soil. Thousands of dollars were made by operators in a few minutes. Vast fortunes were secured in a day. The excitement spread like wild fire all over the country. Cool-headed professional and business men, clerical as well as lay, left their callings in other parts of the country for the scene of the modern Canadian El Dorado. Real-estate agents became as numerous as the sands on the sea shore.<sup>17</sup>

The extent to which the speculators had lost all sense of proportion may be gathered from the *Reminiscences* of Mr. Levi Thompson of Wolseley, and a Governor of the University of Saskatchewan, deposited in the University Archives.

In Winnipeg in April, 1882, almost every day you could hear eloquent auctioneers, trying to sell town lots in some place, real or imaginary, in some part of Manitoba or the North-west. One morning at the breakfast table there was some discussion as to an offer said to have been made for one of the best corner lots in the city, of \$1,000 per foot frontage. Some thought the price unreasonably high, others held a contrary opinion. I ventured to suggest that in my opinion it was too high and gave as my reason, that a short time before it became necessary in connection with a certain transaction in Toronto, to put a price on the unimproved land value of a corner lot at the intersection of King and Yonge streets, and it was placed at \$1,000 per foot. "Oh!" said someone, "that is no criterion. That is only Toronto. This is Winnipeg."

The rage to make a fortune out of the incomer was not confined to the city. Many farmers had their attention drawn away from their homesteads. After their first labours, they sat down waiting for the day when they could sell to an incomer at an exaggerated price. Meanwhile they joined the throng of those who sought ready cash in the form of wages whether in the construction of the railway or in the more general labour market. The possibility of finding work was a great advantage to the pioneer. It gave him money with which to build up his farm, when it was most necessary. In many cases, however, it appears to have been a snare. It led to the neglect of the farm.

It was natural enough for the farmers to make money serving the incoming immigrants. Many gave their help with open hand. Few were like Mr. McKinnon mentioned by Rusticus who built a bridge for about \$50 across a creek on his property where alone the crossing could be affected and took in \$2,000 a year in tolls for crossing by it. Generally speaking the new settlers were the

<sup>17</sup>Macoun, *op cit*, p. 494.



market for the labour and produce of the farmer. This accounts for the prosperity of settlements whose distance across the prairies was such that export of produce was impossible. Cattle, and particularly oxen for carts and ploughs, were in such demand that they were being imported from the United States. Wheat for seed and flour for the settlers as they settled were in constant demand. Till the eighties, Manitoba was the market for its own produce—and even so prospered. A thin stream of wheat eastward, giving no suggestion of the mighty flow of today, began in 1877. It passed in bond by steamboat and rail to Duluth and the Great Lakes, and so to Eastern Canada. In 1877 it amounted to 13,031 bushels; in 1878, 46,440 bus.; in 1879, 101,552 bus. Of this last bulk some 14,000 remained in the United States. The foundation of the wheat trade was being laid; the superstructure in the form of exports was just beginning to appear.

Meanwhile the preparation of the North-West Territories for settlement was proceeding quietly. United States whiskey-dealers and horse-traders had penetrated from Fort Benton on the Missouri to the Blackfeet tribes which were as devoted to horse-raising as they were addicted to whiskey. The North-West Mounted Police speedily suppressed the liquor traffic and protected the Indians from the unscrupulous dealings of the Americans. They enforced law and order among the great Indian tribes, shepherded out of the country the Sioux who had taken refuge in Canada after the Custer massacre, and gathered the Indians of the plains upon their reservations.

By the middle of the nineteenth century the natural increase of the half-breeds had brought about a floating population for which there was no room in the employ of the Hudson's Bay Company. The "freemen", as they were called, lived on the country, hunting buffalo, fishing, and trapping furs. Their superfluous commodities were traded at the company's posts for ammunition, clothing, and other such necessities. All that was wanted to gather these into more stable communities paying some attention to agriculture was some nucleus around which a settlement might crystallize. The mission enterprises of different denominations supplied this want. The Catholics led the way in the farther west. Missions were established at Lac Ste. Anne, some 50 miles west of Edmonton in 1844; at Lac la Biche in 1854; and at St. Albert on Big Lake between Edmonton and Lac Ste. Anne (Fig. 6). Though devised for the Indians, these stations became settlements of half-breeds.

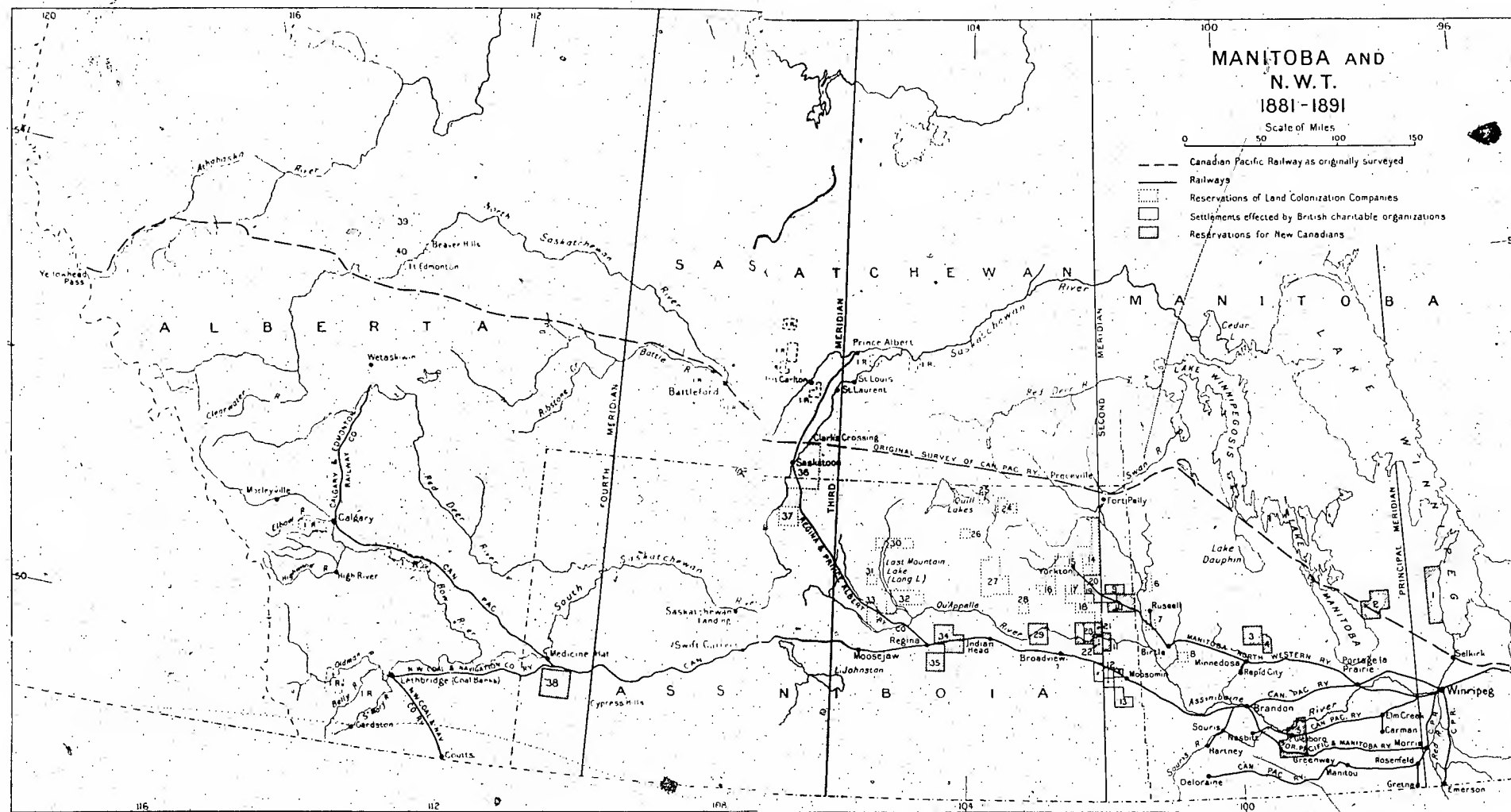


FIG. 6—Manitoba and Northwest Territories, 1881-1891, showing reservations and settlements. 1, Icelandic; 2, Icelandic; 3, Scandinavian; 4, Hungarian; 5, Icelandic; 6, Shell River Colonization Co.; 7 and 8, Scottish Ontario and Manitoba Colonization Co.; 9, Icelandic; 10, German; 11, Finnish; 12, Lady Cathcart's Crofters; 13, East London Artisan Colony; 14, Saskatchewan Land and Homestead Co.; 15, York Farmers' Colony; 16, P. Purcell; 17, Saskatchewan Land and Homestead Co.; 18, Montreal-Western-Dundee Land Co.; 19, York Farmers' Colonization Co.; 20, Commercial Colony; 21,

Hungarian; 22 and 23, Scandinavian; 24, Scott and Hay; 25, Beattie Armytage and Co.; 26, Morrrow and Co.; 27, Dominion Lands Colonization Co.; 28, Primitive Methodist Colony; 29, German; 30, H. D. Smith, Ferguson and Co.; 31, H. W. C. Meyer; 32, Qu'Appelle Land Co.; 33, P. Y. Valin; 34 and 35, German; 36, Temperance Colonization Co.; 37, W. Sharple; 38, German; 39 and 40, Edmonton and Saskatchewan Land Co.

They were all at good fisheries, and within reach of the prairies—fish and buffalo meat remaining the principal diet of the people. Gardens were, however, planted and some grain. In the wake of the priest came the convent and school, and later the flour-mill.

*Mutatis mutandis*, the Protestant settlement at Victoria followed a like course.

After Confederation the half-breed settlements increased. The métis were uncomfortable on the Red River when the "whites"

flocked in. They were insulted and beaten on the streets of Winnipeg by loafers about the saloons. Moreover, their means of livelihood—the buffalo-hunt and freighting to St. Paul—were no longer open to them as of old. They would sell their lands at what seemed to them a good price, and migrate to the west where the buffalo still roamed and where the Hudson's Bay Company's posts still took pemmican and called for freighters. Many migrated to the old settlements mentioned above, but others formed new communities—St. Laurent, St. Louis, and Batoche on the South Saskatchewan and Duck Lake near by. Less permanent groups were at Cypress Hills, at the Qu'Appelle Lakes and at Fort Pelly. All these were of French half-breeds. English half-breeds from Kildonan and, in their wake, Canadians followed the Presbyterian minister, Rev. James Nesbitt, who went to found a mission at Fort Carlton, but was directed by the chief factor, Laurence Clarke, to the site of the present Prince Albert (1866). In 1875 the settlement became the centre of an Anglican mission. Agriculture and lumbering were the main interests of the people. A flour-mill and a saw-mill were built about the same time. The Indian reservations of the neighbourhood then being organized offered a considerable market to the settlers and transportation by steamboats by way of the Saskatchewan and Lake Winnipeg, with trans-shipment by a tramway at the Grand Rapids, near the mouth of the river, added to the welfare of this popular if secluded settlement. The same may be said of Battleford, on the south bank of the Battle River, at its inception. As the capital of the North-West Territories and the station of a body of the North-West Mounted Police, this settlement had sources of prosperity all its own. Prince Albert and Battleford were in a good stock-raising country and found a local market for their beef as well as their farm produce.

As to Alberta, the ranching business was already begun but its story will be more fittingly told in connection with the next decade. Looking at the period 1871-1881 as a whole, it is manifestly the day of Manitoba. During the next decade, the North-West Territories will begin to come into their own.

## CHAPTER IV

### THE COMING OF RAILWAYS, 1881-1891

#### *1. Settlement on the Second Prairie Level: Problems of Frost and Drought*

THE decade, 1881-1891, saw the first attempts to solve the problems which the geographical situation and the physical features of the country imposed upon settlers.

The first achievement in the solution of the transportation question was the completion of the transcontinental railway. The line from Fort William on Lake Superior to Selkirk was completed in 1881, built by the Mackenzie Government as a national enterprise. The return of the Conservatives to power, however, led to a change of policy. "An Act respecting the Canadian Pacific Railway"<sup>1</sup> transferred the task of building the transcontinental to private enterprise. The railway already built, including the line from Emerson to Winnipeg, was given over to "the Syndicate", our Canadian Pacific Railway Company, with a subsidy of \$25,000,000 in money, and 25,000,000 acres of land, over and above the roadway and sites for stations. The land was to be "alternate sections of 640 acres each extending back 24 miles deep on each side of the railway from Winnipeg to Jasper House . . . the Company receiving the sections bearing uneven numbers" (clause 11). When such sections were not available or serviceable, sections in the fertile belt were to be substituted. This land grant made the Canadian Pacific, next to the Government, the most potent immigration agency in the country.<sup>2</sup> But from the view of economic development, transportation consists of more than facilities; it includes rates calculated to make business pay. The building of the road through the comparatively unproductive and the costly country north of the Great Lakes may have been justifiable on national grounds as providing an all-British route, and from the party point of view the rich contracts involved may have been necessary to win for the Government the support of powerful interests in the eastern provinces for so great an enterprise, but it led to conditions in the agreement with the Syndicate which, to

<sup>1</sup> *Statutes of Canada*, 44 Vict. c. 1

<sup>2</sup> See, in this series, Vol. III, Part II, Chaps. II and III

some extent, took away with one hand what was given with the other. For twenty years "no line of railway shall be authorized by the Dominion Parliament to be constructed South of the Canadian Pacific Railway, from any point at or near the Canadian Pacific Railway, except such as shall run South West or to the Westward of South West, nor to within fifteen miles of Latitude 49°" (clause 15). This created a practical monopoly within the area towards the international boundary. The company, all fear of opposition removed, naturally fixed rates upon its western traffic calculated to cover the running expenses of its long unproductive line north of Lake Superior which was completed in 1885. The rates constituted, however, a heavy tax on the trade of the west, and the newspapers of Manitoba all through the decade are filled with protests against them, protests often accompanied by the demand for a railway to Hudson Bay, the natural outlet of the country.

Similarly, clause 16 was devised to make the railway a paying concern. It exempted the railway property, the capital stock, and the portion of the 25,000,000 acres unsold, from taxation for ever, whether by the Dominion or province. This threw the whole burden of developing the local communications, and the community organizations on the settlers at the very juncture at which they needed their money most to establish themselves. It thus indirectly militated against the success of their wheat in the world market. These facts have their bearing on the disappointment of the Government that the inflow of immigration was not as great as was desired.

Then too, the refusal of the Government to consider lines of transportation connecting with the east, however temporarily, over the railways of the United States, which would have given transportation facilities in the early seventies, meant that the railway only entered the country ten years after immigrants had begun to come in. The early settlers, as we have seen, followed the trails leading in different directions and settled in too wide a territory for a single railway line to serve, with the result that when the Canadian Pacific reached Brandon, in 1881, the extreme limit of settlement westward, its single line running across the province was already inadequate.

The views held by the interests in Manitoba of the inadequacy of the Canadian Pacific may be gauged by various charters granted by the province. Charters were granted to the Winnipeg and

Hudson's Bay Railway and Steamship Company and to the Nelson Valley Railway and Transportation Company, which were to find an outlet for the province on Hudson Bay, at Port Nelson and Fort Churchill, respectively. Eventually these two companies were united and the present Gypsumville branch of the Canadian National Railways was built under their charter. As early as 1879 the province granted a charter to the Manitoba South Western Colonization Railway Company to build very much in the direction of the trail leading to the Pembina plateau in tp. 3, r. 7, w. 1, thence westward to Rock Lake, through a region then being rapidly settled. Little, however, was accomplished. The Canadian Pacific which had built up the west bank of the Red River to Gretna in 1882, acquired the charter of this bankrupt railway, and passed through its territory from its own line at Rosenfeld westward to Manitou (1882) and Deloraine (1886). With this charter it acquired the line built by the Manitoba and South Western Colonization Railway as far as Elm Creek. This it extended towards the Souris valley as far as Glenboro and Nesbitt. Meanwhile its branch line from Kemnay, the first station west of Brandon on the main line, reached the coal field at Souris in 1887, and Hartney in 1890. It seems fair to infer that the building of these branch lines was hastened by the insistence of the province on its right to charter railways in spite of clause 15 of the Canadian Pacific Railway Act conferring upon the Syndicate a practical monopoly of the transportation of the country south of its main line. The provincial legislature passed several charters which were disallowed by the Dominion as conflicting with clause 15 as above. In 1885 a charter was given to build a line from Winnipeg to Rock Lake, the Souris River valley and Brandon—the "Red River Valley Line". This was disallowed. Nevertheless in 1887 the province went on with the line. An injunction secured by the Dominion Government against its crossing Dominion lands brought the building to an end. The conflicting claims to jurisdiction ceased when the Dominion Government secured the cancelling of clause 15 by an agreement, dated May 22, 1888, with the Canadian Pacific, involving a Dominion guarantee to a loan being raised. In that year the province gave a charter to the Northern Pacific and Manitoba Railway Co., which absorbed the charter of the Red River Valley Railway Co. The new company built, from Morris to Greenway and Brandon (1889-1890), a line which came into the Canadian Northern and so into the present Canadian National sys-

tem. They also built the line from Fort Rouge (Winnipeg) to Portage-la-Prairie (1888-1889), which is now part of the Canadian National system.

The same difficulties were not felt in the country north of the main line of the Canadian Pacific for that region did not come under the monopoly granted by clause 15. In 1880 the provincial legislature granted a charter to the Westbourne and North Western Railway Co. to build northwestward from Portage-la-Prairie. The line was commenced in 1881 and continued under a charter secured in 1882 from the Dominion Parliament which made Prince Albert the ultimate objective. A large grant of land made this company very active in placing immigrants along its line. Minnedosa was reached in 1883, Birtle and Langenburg in 1886, Saltcoats in 1888, and Yorkton in 1890. Branches to Rapid City and to Russell, in the Shell River region, were built in 1886. This line which came to be known as the Manitoba and North Western was leased by the Canadian Pacific in 1900 for 999 years.

Looking at Figure 6 it will be seen that by 1891 the various settled areas of Manitoba west of the Red River were well served with railways. The only lines east of the river were the Canadian Pacific main line across the province and its branch connecting with the United States line at Emerson. The population to the east of Red River was, save for the Mennonite settlements, chiefly French-Canadian and half-breed and scattered over a country which was wet and wooded and was not looked on with favour by the incoming immigrants.

In addition to the question of transportation, settlement had to face the problems of early frost and drought—not that they were ever-present, but that when they did come they were devastating. During the decade 1871 to 1881 there appears to have been no early frosts<sup>3</sup> to warn the settlers, and so far from Manitoba being devastated by drought, the last years of the decade were afflicted by an excess of spring and summer rains. Not so the decade 1881 to 1891. According to the Brandon agency there was continuous dry weather in the spring of 1883.

The grain lightly covered did not receive sufficient moisture to vegetate and come up as quickly as that deeper covered, until the showers in June made it spring up rapidly but it did not ripen equally with that which was deeper covered. This made an uneven crop, as the dry weather in the latter part of July and August caused it to ripen, all apparently alike; but that which was late in coming up, is shrivelled and injures the general appearance of the whole; and

<sup>3</sup> *Report of the Department of Agriculture, 1883* (Ottawa: King's Printer), p. 85.

as we have a very unusual frost on the night of the 7th of September, the millers and grain dealers call all the shrivelled grain frozen. This is anything but a correct way of stating it, as I do not believe that one-tenth of the grain was frozen, as represented.<sup>4</sup>

Settlers early learned to plant the seed deeper and thereby to avail themselves of the moisture in the sub-soil, and so to minimize the ill effect of drought. In 1884 the difference between the Manitoba region and the North-West Territories in the matter of precipitation showed itself. The Winnipeg agent reported a "very wet" season, and the agent at Qu'Appelle, a very dry spring. As to the fall of 1885 and the summer of 1886, Joseph Doupe, a surveyor in the employ of the Department of the Interior reported:

The past season has been an unusually dry one throughout the North West but apparently more so to the east of the 4th meridian or 110th degree of longitude [roughly, 30 miles east of Medicine Hat] than west of it. The fall of 1885 was very dry, followed by a light snowfall during the winter and this again being succeeded by an unusually dry spring, left the ground in such a condition that the effects of an ordinary shower of rain seemed invisible. Swamps and muskegs flooded during several previous years were now quite dry.

It was during this drought, as we shall see, that great strides towards a remedy were made by the methods of dry farming. The year 1889 saw an even more distressing drought.

As to frost, in 1883 there was general frost, reported at Brandon and at Emerson as on September 7th. However, not more than one-tenth of the grain was frozen at Brandon. As we have seen, the grain merchants are reported as making capital out of the damage. Another warning came in the next year, 1884. The agent at Qu'Appelle reported: "The crops have not been so abundant as was expected from the rapid growth and appearance through the summer. The lateness of the spring season, besides being very dry, together with frosts in fall, have been the cause of a slight damage to some fields of grain which did not vegetate and ripen equally." The Brandon agent makes no mention of frosts but of rain which prevented the grain from maturing, presumably before the cold of September. He says the precariousness of the wheat crop was turning the farmers' attention to mixed farming "for means of living or for the money necessary for the improvement of their farms." He recommends the farmers to adopt summer-fallowing and autumn ploughing, to devote their attention in the spring to their sowing in order to have it done at the earliest

<sup>4</sup> *Ibid.*, p. 107.



possible time and not to seed so large an area as to leave a portion of their crop for late harvesting (presumably in view of the frosts). In 1885 there was a damaging and very general frost on August 23. The agent at Emerson remarks:

The unprecedented occurrence of frost at the latter end of August last, . . . will, without doubt, prove a blessing in disguise. Our farmers, convinced by hard experience of the futility of depending on one crop to carry them through, will now more than ever bestir themselves, by giving more attention to a mixed system of farming, fall ploughing, and growing other varieties of wheat than Red Fife.

Red Fife was now the predominant variety of wheat grown in the Northwest. Had the old Red River Settlement variety still prevailed the frosts reported would have been devastating indeed. Red Fife, imported to Canada by David Fife in the eighteen-forties proved of such a quality and so early-maturing that it passed from Canada down the Ohio to Minnesota. During the grasshopper plague of the early seventies Manitoba had been depleted of wheat and various seeds were introduced from Minnesota, among them Red Fife. As it matured in anything from 115 to 125 days as against 125 to 145 of the old Red River Settlement variety, its introduction meant a long stride towards the solution of the problem constituted by the early frosts. Moreover, until the seventies, winter wheats had been the favourites with the millers because of the whiteness of their flour. Changes in the processes used by the millers had made it possible to purify the spring wheats and produce a white flour equal to that of winter wheat. From the milling point of view Red Fife proved the favourite among the spring wheats. As attempts at growing winter wheats in Manitoba had proved a failure, it asserted its supremacy. When the Canadian Pacific had built across the prairies, the company organized (1885) a series of experimental grain farms at suitable places on their line from Winnipeg to Calgary. The seed sown was Red Fife imported from Minnesota. These farms supplied a large body of seed to the settlers. In 1883 the Government removed the import duty on Red Fife seed when brought in for sowing, and the railway company carried it free of charge. By 1885 Red Fife held the field in the Northwest. There was, however, wisdom in the point of view of the agent at Emerson, that it should not become the sole wheat of the country, that earlier-maturing wheats should receive attention. This task the Dominion Government took upon itself.

Under the able guidance of William Saunders, the Government adopted a policy of experimental farms and established such at Ottawa (1885-1886), at Brandon (1888), and Indian Head (1888), this last site being chosen because the area of settlement envisaged was the open semi-arid prairies of the North-West Territories. The Minister of Agriculture in his report of 1887 stated: "The introduction of new and untried sorts of early ripening cereals I regard as one of the most important departments of experimental work bearing on the present and future farming in Canada." William Saunders it was who brought the variety known as Ladoga from Russia. It proved a very early-maturing wheat. In 1889 seventeen varieties of wheat were sown at Brandon Experimental Farm with the following results so far as Red Fife and Ladoga are concerned.<sup>5</sup> It will be remembered that it was a year of extreme drought.

VARIETY	WHEN SOWN	WHEN HARVESTED	BUS PER ACRE	WEIGHT PER BUS. (lb.)	MATURING PERIOD (days)
Red Fife . . . . .	Apr. 8	Aug. 12	4 83	61.50	126
Ladoga . . . . .	Apr. 8	Aug. 8	4 05	61.25	122

Ladoga wheat matured 4 days earlier than Red Fife, but the latter gave the more abundant yield.

Saunders had requested the Government of India to direct him to seed grown in those parts of that country of many climates, which suffered from drought and which were exposed to frosts—chiefly on the slopes of the Himalayas. Varieties of seed were bought at the London Corn Exchange—notable among them hard Red Calcutta. In 1890 many varieties of wheat were sown in various situations on the Brandon Experimental Farm, with the following results so far as Red Fife, Ladoga, and hard Red Calcutta are concerned.<sup>6</sup> It should be noted that the season was backward and germination took place very late.

TEST OF WHEAT ON BACKSETTING

VARIETY	SOWN	CAME UP	RIPENED	BUS PER ACRE	WEIGHT PER BUS. (lb.)	MATURING PERIOD (days)
Red Fife No. 3	Apr. 10	May 7	Aug. 22	25	63	134
Ladoga . . . . .	Apr. 11	May 6	Aug. 16	21	59	127
Hard Red Calcutta	Apr. 11	May 8	Aug. 16	24	64	127

<sup>5</sup> Report of the Experimental Farms, 1889 (Ottawa, Department of Agriculture), p. 123.

<sup>6</sup> *Ibid.*, 1890, p. 240

The inference drawn was that "in yield Red Fife takes the lead, but is several days later in maturing than some other varieties. Ladoga ripened in advance of Red Fife, but the yield was less."

At the Indian Head Experimental Farm the results were:

VARIETY	SEEDING	HARVEST	YIELD	WEIGHT	DAYS IN MATURING
Red Fife . . . . .	Apr. 16	Aug. 23	35 16	59 0	130
Ladoga. . . . .	Apr. 16	Aug. 13	28 10	58 5	121
Hard Red Calcutta..	Apr. 23	Aug. 9	25.57	60 5	118

As there was frost on Aug. 21st, both Ladoga and Red Calcutta escaped the frost, but the yield of Red Fife was regarded as considerably greater than these, its chief competitors.

In 1892 Ladoga was submitted to milling and baking tests. "The results of these tests were sadly disappointing for Ladoga flour proved to be deficient in strength and produced bread which was very yellow in colour and of coarse texture. Thus the hope of replacing Red Fife by the early-maturing Ladoga, for export purposes, was completely shattered."<sup>7</sup> Attention was now turned to hard Red Calcutta because its early period of maturing rivalled Ladoga. However, it gave poor yields, was very short in the straw, and its heads easily "shattered" when being harvested. In the next decade attention was given to breeding a new wheat by crossing Red Fife with the two other varieties. It was hoped that the cross would retain the virtues of Red Fife and eliminate the defects of the others, but would maintain their early-maturing quality.

From our point of view, the fact of importance is less the actual results than that the Government was now well aware of the problems to be faced by the settlers, especially when they began to spread northward where the danger of damage from early frost would be found to increase.

In the spring of 1882 the transcontinental railway was at Moosomin; in August 1883 it reached Calgary. The line thus ran across the country far to the south of settlements like Prince Albert and Battleford which had expected to be near or on the transcontinental railway. The first blow to the original scheme of building to the far north through the fertile belt of the Saskatchewan came through the spread of the settlers westward across the prairies of Manitoba

<sup>7</sup> A. H. R. Buller, *Essays on Wheat* (New York, 1919), pp. 146-147.

during the years when the line was being built from Lake Superior. The second through Macoun's discovery that the southern plain would make a fine wheat-raising country. Finally, the Syndicate built to the south in order to exclude United States railways from exploiting Canadian territory. The reactions of the building of the transcontinental were many. By reducing the freightage by Red River carts from Winnipeg all the way to Edmonton over the trails, it reduced the means of livelihood of the half-breed settlements to a comparatively small measure. This, with the suffering due to the disappearance of the buffalo, created the discontent in which the Rebellion of 1885 came to a head. The change of location also created a general discontent among such Canadians as had entered the northern region, e.g., the later comers to Prince Albert, expecting the railway to pass up the valley of the Saskatchewan,—a discontent which was one of the factors in bringing Louis Riel into the country. Further, it had a disastrous effect upon the price of lands in Manitoba. By throwing a vast area of wheat lands open to all comers, it made it impossible for the real estate speculators of that province to sell at their anticipated prices—in many cases to sell anywhere near the price they had paid for the land. The Manitoba land boom burst when the tide of migration flowed into the North-West Territories.

As the railway preceded settlement, the settlers took up the land more or less in the immediate vicinity of the line. This made the Territories an interesting and an altogether desirable contrast with Manitoba at this time. It was only towards the end of the decade that lines to the north began to be built—the Regina-Saskatoon-Prince Albert line in 1889-1890; the Calgary-Edmonton line 1890-1891; the Westbourne and North Western (Manitoba and North Western) Railway, as already mentioned, reaching Langenburg in 1886, Saltcoats in 1888, and Yorkton in 1890.

In 1881 the Government was in an awkward position. Sir John Macdonald and indeed Mackenzie and Blake, leaders on the other side of the House, had assured the taxpayers of Canada that the railway would not cost them a cent in taxes. Accordingly the Government must meet its obligations to the Canadian Pacific and the cost of its own survey for settlement and of the elaborate machinery created for encouraging immigration, out of its sale of Dominion lands. As the flow of immigration, particularly of immigrants with large capital, was disappointing, a new scheme

was devised. By an Order-in-Council dated December 23, 1881. the land was classified as follows:

Class A—Lands within twenty-four miles of the main line or any branch line of the Canadian Pacific Railway, on either side thereof. [In this belt the Canadian Pacific company's lands were situated]

Class B—Lands within twelve miles, on either side, of any projected line of railway [other than the Canadian Pacific Railway] . . .

Class D—Lands other than those in classes A, B, and C. .2. The even-numbered sections in the foregoing three classes are to be held exclusively for homesteads and pre-émptions.

a. Except in Class D where they may be affected by colonization agreements as hereinafter provided . . .

The scheme was devised to enable the Government to realize on the Class D lands which were away from transportation facilities and would not be occupied under ordinary circumstances for years. Agreements were to be entered into with colonization companies or even individuals described as "the party" on these terms:

9. The odd-numbered sections within such tract [D] may be sold to the party at \$2 per acre, payable, one-fifth in cash at the time of entering into the contract, and the balance in four equal annual instalments from and after that time. The party shall also pay to the Government five cents per acre for the survey of the land purchased. . . .

a. The party shall, within five years from the date of contract, colonize its tract.

b. Such colonization shall consist in placing two settlers on homesteads on each even-numbered section, as also two settlers on each odd-numbered section.

c. The party may be secured for advances made to settlers on homesteads according to the provisions of the 10th section of the Act 44 Victoria, Cap. 16 [the Act passed in 1881 to amend the *Dominion Lands Acts*].

As the colonization company should progressively fulfil the contract in the matter of bringing in settlers, rebates were to be made which would bring the purchase price of the odd-numbered sections down to \$1 per acre.

Well-nigh thirty contracts were made under this scheme. The position of a number of the reservations kept for colonizing companies and individuals is indicated on Figure 6. The whole plan was vicious. Had it succeeded masses of settlers would have been placed away from the railway, and the country would have been forced to provide transportation for them. The inducement offered to the settler that he could purchase his pre-emption at \$2 an acre, instead of \$2.50 in classes A, B, and C could not blind him to the handicap involved in being so far away from the railway. In any case, he could get a homestead in a much more favourable

position. In the issue, the companies were only rescued from the brink of disaster by the generous terms offered by the Government from 1886 on. Probably nobody got anything out of the scheme but the directors of the companies. Some companies did not bring in any settlers at all. The Quill Plains colony of Beattie Armytage & Co. (Fig. 6, No. 25) brought in three actual homesteaders. Others in their list "expressed a determination to [take homesteads] as soon as a railway contracted through that section of the country". The Temperance Colonization Company by high pressure salesmanship, in which Principal Grant of Queen's University, and Dr. Potts of the Methodist Church played a part, brought in 101 settlers to the surveyed town lots or to farms at Saskatoon, 150 miles from the nearest railway point, Moose Jaw (Fig. 6, No. 36). For lack of transportation facilities for farm produce many of the settlers turned to ranching. The York Farmers' Colonization Company was the most successful of the companies. Their reservation at Saltcoats was reached by the Manitoba and North Western Railway in 1888 and their large block of lands at Yorkton in 1890 (Fig. 6, No. 19).<sup>8</sup>

Of a very different character was the Qu'Appelle Farming Company, incorporated by Act of the Dominion Parliament in 1882—its capital stock to be \$3,000,000. Of this \$150,000 was paid up. By Order-in-Council of April 3, 1887, the Company was allowed a large tract at Indian Head (roughly 10 miles square) including the homestead even numbers (Fig. 6, No. 32). This tract was bought from the Government, the Canadian Pacific Railway, and the Hudson's Bay Company. In June the first sod was turned and by winter 2,400 acres were ready for harrowing. Meanwhile dwellings, stables, and storehouses were erected. On April 14th seeding was started. Owing to the coldness of the season harvesting did not begin till 27th of August. From 1,000 acres put in wheat, 23,020 bushels were harvested—21,720 of the finest quality, the rest having been slightly damaged by frost. Eighty-two men and 100 horses were then on the farm. That autumn 7,000 acres were ready for the spring. The tract was divided into farms of 213 acres, on each of which was placed a farmer, a cottage, a stable, and a granary, three horses, a sulky plough, a wagon and a self-binder. Only two-thirds of each farm was seeded in a year (as much as the farmer was expected to manage); one-third was left fallow. The importance of this for the agricultural history of the

<sup>8</sup> See, in this series, Vol. III, Part II, Chap. I.

west will appear later. The plan was to sell the improved farms to incoming immigrants. Several were sold by 1885, at \$6 per acre for unbroken land, and \$15 for the broken. In that year there were 200 horses, 250 cattle, 900 hogs on the company's tract, and 45 reapers and binders, 73 ploughs, 6 mowers, 40 seeders, 80 harrows, and 7 complete steam outfits for threshing. It is usually said that the scheme failed to meet expectations because of the extravagant scale on which it was drafted. Consideration must, however, also be given to the adverse climatic conditions to be discussed hereafter.

In 1881 the government had drafted a scheme for bringing in settlers in the 10th clause of the Dominion Lands Act's Amendment of that year (44 Vict. c. 16).

10. If any person or persons undertake to place immigrants as settlers on homestead lands in Manitoba or the North-West Territories free of expense to the Government, the Governor in Council may order that the expenses, or any part thereof, incurred by each person or persons, for the passage money or subsistence in bringing out such immigrants, or for aid in erecting buildings on the homestead, or in providing farm implements or seed grain for any such immigrants, may, if so agreed upon by the parties, be made a charge upon the homestead of such immigrant; and in such case the expense incurred, [not to exceed \$500], on behalf of such immigrant, as above, together with interest thereon [6 per cent.], must be satisfied before a patent shall issue for the land.

This scheme proved really valuable. It enabled a number of organizations, including charitably-inclined persons in Britain, to assist distressed portions of the population to migrate to Canada, and held out the prospect of the money provided being returned to assist in moving additional parties to join those already settled. Mention may be made of Lady Cathcart's settlement of crofters at Benbecula on tp. 13, r. 33; tp. 14, r. 32, w. 1; and tps. 14 & 15, r. 1, w. 2, south of Wapella (Fig. 6, No. 12). These crofters had much to learn in the way of farming, but found experience in the first place by serving as labourers on neighbouring farms. Meanwhile, their former habits of life made them much interested in cattle-raising. They thus drifted into mixed farming and were saved from the disastrous experiences of the grain-grower pure and simple. The settlement, established in 1883 and 1884, was in a comfortable position by 1887.

In 1884, the East London Artisans' Colony was established on tp. 12, r. 32 and tps. 12 & 13, r. 33, w. 1 (Fig. 6, No. 13) by a group of wealthy persons brought together by Baroness Burdett-Coutts and Lord de Winton. Eighteen families were brought out. This

settlement was less successful, for the artisans did not take to farming as easily as the crofters. Some drifted to the towns where they took up their trade and did well. Those who stood by their homesteads ultimately succeeded, but there was considerable wastage.

Leaving other illustrations of the application of the regulations laid down for mention in their proper place, we turn now to consider the course followed by the great mass of immigrants.<sup>9</sup> Unfortunately the immigration agents could only report the numbers which came into some relation with them. In 1881, when Emerson was still the chief point of entry to the country, the agent there reported the arrival of 2,260 from the United Kingdom, 80 Germans, 20,846 English-speaking Canadians (893 from the Maritime Provinces), 1,028 French-Canadians (chiefly from Vermont, Massachusetts, and Michigan; some of these established the French settlement of St. Leon), 2,358 from the United States. Deducting 4,626 as floating population from the total entering the country, which he made 27,212, he estimated the total immigrant population at 23,586 (22,586).<sup>9</sup> The agent at Winnipeg reported but 12,020. Evidently a large number did not go north to Winnipeg, but from Emerson spread out into southwestern Manitoba. In 1882, after the Canadian Pacific reached Moosomin, immigrants were coming in more equal numbers by the two several points of entry. At Winnipeg the total was 44,681 including many through Emerson. Sixty-five French came in through Emerson, some of whom at least must have been the founders of the French settlement of St. Alphonse. At Emerson, the numbers, allowance of 17 per cent. being made for men returning to Ontario for families, visitors, etc., was 57,551. Winnipeg reported 7,500 and Emerson 10,364 from the United Kingdom, and 10,000 and 13,325, respectively, from the United States. Apparently a considerable body of the British and United States immigrants were not reaching Winnipeg, but were turning aside into south and southwestern Manitoba. There passed through Winnipeg 2,000 Europeans, and but 962 through Emerson. These Europeans mostly came in *via* Fort William, and were being placed along the main line of the Canadian Pacific. In 1883, 50,000 is given as the number of immigrants in the report of the agent at Winnipeg; 44,223 is the number as estimated at Emerson. The year 1884 was unfortunate for immigration, so unfortunate that the total at Winnipeg is not given in the published

<sup>9</sup> *Report of the Department of Agriculture, 1881*, p. 110 His figure should, of course, be 22,586.



report of the agent. The officer in charge of Emerson and also of Gretna, now a port of entry on the border west of Emerson and at the terminus of a branch of the Canadian Pacific, reports a total at these two points of but 12,164. He mentions many factors by way of explanation—the general world depression, which affected Canada also, the low price of wheat which had dropped from \$1 to a very low figure, in fact at Winnipeg from 80c and 85c to 50c and 55c, the calamities of the United States railway companies, and the bursting of the Manitoba boom. Although he asserts that “the climatic scare is now fast approaching extinction”, his urgent plea that farmers go in for mixed farming suggests that the drought of 1883 had much to do with the drying up of the stream of settlers in 1884.

As to the character of the immigration of these early years, the report of the agent at Winnipeg for 1881 may be taken as typical.

It consisted, without exception, of a superior class of agriculturists, possessed of sufficient means to provide themselves with the outfit necessary to start upon homesteads, and in many cases on improved farms. The selection chosen by the latter class was in most cases within a radius of 80 miles of Winnipeg. A considerable portion of this year's immigration has followed the progressing railroad lines, and settlements have sprung up almost as fast as the rails were placed on the ground. . . . Another class of immigrants was a number of extensive stock-raisers who are of great importance, and for which enterprise the North-West is so well adapted.<sup>10</sup>

The well-to-do were buying improved farms in Manitoba, as also those desirous of schools for their children and of the other amenities of life. A number of the better-to-do were going into the Territories to open as shop-keepers in the towns springing up along the railway. In their wake a number of artisans and labourers came into these towns. The more adventurous settlers, probably those least hampered with anxiety about their children and about schools, were occupying, progressively westward, the homesteads of the second prairie level.

Probably nowhere could one get a more typical cross section of this immigration than at Cannington Manor, 40 miles southwest of Moosomin and in the neighbourhood of the wooded Moose Mountain and its lakes. In 1881 when the railway was still at Brandon, the report of the desirable location went abroad. In the spring of 1882 pioneers, in the sense of those who were ready to begin at the bottom of the ladder on the open prairie, trekked in

<sup>10</sup> *Report of the Department of Agriculture, 1881, p. 41.*

through Brandon and Oak Lake. They came from Ontario, from England, and from Scotland. An Englishman of means, William Pierce, came in, intent on building up a community, English in character, and composed of well-to-do Englishmen. He brought in a number of his kind, many of them youths to be trained by him in farming at £100 a year. Of these a number like the Becton brothers made sport their chief interest and the breeding of thoroughbred racers. With this group racing, fox-hunting, steeple-chase, tennis, cricket, summer outings on the lakes, and shooting, were the main interest, and clubs were formed to promote these sports. The Becton brothers' horses won prizes on the tracks as far east and west as Winnipeg and Calgary. Similar sporting groups were to be found at Minnedosa, Man., and at Grenfell, Sask., and at Calgary. As their private means diminished, this group abandoned the settlement for regions in which they could live on a more modest scale than they had drafted for themselves at Cannington Manor.

The more serious-minded of the Englishmen devoted themselves to their farming and to community enterprises. They built a beautiful church adorned with carved pews and what not. They clubbed together to bring out a community doctor. Capital in the settlement built a community hall, and established the local store, a flour-mill, two cheese-factories, and a pork-factory—all on the promise of the Canadian Pacific Railway that a branch line would be built through the settlement. This line was not built till 1900 and then came no nearer than Manor, ten miles to the south. The village store moved to the station; such of the enterprises as still remained passed away. Some of the well-to-do settlers remained in their mansions built on the English scale. Meanwhile the pioneers had been greatly assisted in the difficulties of their start by the ready money brought in by their well-to-do neighbours. They now remain in possession of what was once a typical English community transplanted to the plains of Saskatchewan. In general, however, the pioneers as well as the well-to-do made the prime mistake of doing in the new country as they did in the old, not realizing the nature of the climate to which they had come.

The decline in the number of immigrants who entered in 1884 is seen in 1885. The reports are ominously silent as to its extent. The decline was largely due to the failure of the immigrants in previous years. The same is true of 1886 and 1887—though

the agent at Brandon reports larger numbers settling in his district than in previous years. The reports are filled with accounts of the arrival of New Canadians of many kinds. This new class of immigration cloaks the fact that Canadians, Americans, and Britons, were arriving in comparatively small numbers and even leaving the country. It also marks a new phase in the settlement of the Northwest, which hitherto had been predominantly an Anglo-Saxon country.

In these years the New Canadians were being placed in nominal reserves (i.e., others were not precluded from homesteading in the townships set apart) chiefly, though, by no means exclusively along the main line of the Canadian Pacific. In 1885 due to the philanthropic activities of Count Paul O. d'Esterhazy a considerable body of Hungarians arrived. A first detachment and a second of 50 families were placed not far from the line of the Manitoba and North Western, about 20 miles northeast of Minnedosa on tps. 16 and 17, r. 16, w. 1, advances for stock and implements being made by the railway. The country was partially wooded. Though agriculturists in Hungary, the settlers had been miners in Pennsylvania, and at first were inclined to go out to work, rather than to clear their farms. In the same year Count d'Esterhazy established a colony north of Whitewood, at Esterhazy and Kaposvar (Fig. 6, No. 4). Sir George Stephen of the Canadian Pacific Company, which had brought the settlers in without charge for transportation, made advances for stock and implements. Though the country was open prairie, the settlers turned early to stock-raising, in addition to wheat farming. Thus they escaped the sad experience of the grain grower pure and simple, and prospered. However, progress was slight so long as they could depend on the charity of the Count.

A Scandinavian colony, New Sweden, near the present Stockholm, north of Whitewood on the Canadian Pacific Railway, was begun in the neighbourhood of Esterhazy's Hungarians. They too received substantial aid from Sir George Stephen. The first two years appear to have been marked by hardships due to a prairie fire consuming their small store of wood, for the country was largely open prairie, but finally the colony prospered.

At the same time a colony, New Scandinavia, was begun 20 miles north of Minnedosa. The country was partially wooded and therefore sheltered, but it contained many excellent hay

meadows. The settlers accordingly put out their first efforts on stock-raising, earning additional money from the saw-mills.

In the same year, a German settlement and a Rumanian colony were established at New Tulscha, north of Balgonie. Next year the former was extended south of the railway under the name of Josephthal. The Germans were poor and received help from the officials of the railway. By 1888 they had paid off their indebtedness and were able to purchase farming implements as required, besides having means to stock their farms and make many other improvements thereon. The Rumanians came in "with more or less capital". Of a somewhat different type was the colony of New Alsace, on Long Lake immediately south of the present Strasburg. Mr. Reidle established himself there and was instrumental in bringing fellow-countrymen possessed of some means to settle around him.

In 1886 work on the construction of the Manitoba and North Western offered an opportunity for settlers to add to their means while establishing themselves. That year the line reached Langenburg, Sask., and the German colony of Hohenlohe was established. With their wages the settlers built their houses and helped to equip themselves for their start as farmers in the following spring. Others followed. Only 11 required loans on their homesteads. These were advanced by the railway. In the same year and in the same region an Icelandic colony, Thingvalla, was begun. Only 8 of the settlers needed assistance (to the total amount of \$1,250.66) from the railway. The woods of the region enabled them to build comfortable houses. The bush country to begin with was better adapted to stock-raising. Thus the settlers' first object was to stock their farms and only slowly was the land brought under wheat. Next year, 1887, as many as 1,800 Icelanders emigrated to Canada. Those who came to the West were distributed as follows—Winnipeg, 300; Gimli, Lake Winnipeg, 450; Thelamark (a new colony on Lake Manitoba), 150; Dufferin and southwest Manitoba (Argyle), 75; Portage-la-Prairie and Brandon, 250; Thingvalla, Assiniboia, 100; Qu'Appelle valley (a new colony) near Tantallon, Sask., and other parts, 200. As this people made excellent workmen, the men easily found employment in the cities. The girls were welcomed as domestics.

It will be noted that while the New Canadians were settled by themselves in colonies these colonies in the case of each nationality were in different parts of the country and not in one solid block.

If these grew and become large blocks it was partly because English-speaking settlers were not crowding into the country nor occupying the homesteads among or around them. The decline in the volume of English-speaking colonists at least in the Northwest is attributable to the difficulties which the settlers were encountering due to the climate, and to ignorance of the methods of farming which it dictated. The New Canadians, influenced by propaganda, probably came in entirely unaware of the difficulties which settlement in the Northwest was experiencing.

The truth is that from the point of view of wheat growing there is more than one climate in the Canadian West. The difference between one and the other is measured in terms of moisture—in terms of a very few inches of precipitation. The grasses, among which we count the cereals, need little moisture to germinate and to grow in the spring. As the grains grow their demand for moisture increases, and finally there is the all-important need of moisture to fill in the ear. Usually, when the snow melts in the spring there is enough moisture in the soil to promote germination and to take care of the early growth. On the average, 5 per cent. of the total precipitation for the year comes in April, 12 per cent. in May, 15 to 20 per cent. in June, and the same in July, and 10 to 15 per cent. in August. This distribution of moisture by nature is well-adapted to meet the increasing demands of the cereals as they grow, and makes the Canadian West the great wheat-field that it is. Were this average steadily maintained most of the troubles of the grain grower would pass away, but the average is made up of extremes and does not preclude occasional years of great drought, nor cycles of dry years—years in which a few inches of rain less, or the precipitation coming at the wrong time, makes for crop failure. It will be noted from Figure 4 that warm-season precipitation diminishes as one goes west from Winnipeg.

In considering Saskatchewan and Alberta, it will be well to adhere to the nomenclature of that time. The North-West Territories were divided into four districts, Assiniboia, Saskatchewan, Alberta, and Mackenzie. The attention in the eighties was centred on Assiniboia and Alberta, more strictly southern Alberta. The southern boundary of Assiniboia was the forty-ninth parallel of latitude, the eastern the boundary of Manitoba; the northern boundary ran due westward through our Preeceville and passed about 13 miles south of our Saskatoon. The westerly limit ran due north about 30 miles west of Medicine Hat at the

111th meridian. It will be noted that a large part of Assiniboia falls between the lines of 10 inches and 11 inches of warm-season precipitation. There are five islands, as it were, of 11-inch precipitation within this belt, Moose Mountain, the Melville-Stockholm region; the Indian Head, Cypress Hills, and the Saskatchewan Landing region. The eastern portion of the Canadian Pacific Railway as well as the Manitoba and North Western Railway ran in the belt of 10 inches of precipitation. At Moose Jaw the Canadian Pacific was in the 9-inch belt which broadened out south-eastward to Weyburn and Estevan, while westward for about 100 miles on the way to Medicine Hat the railway runs in the 8 to 9 inches of precipitation belt. The gradually diminishing moisture as one goes westward constituted a real problem for the settlers—all the more as they began by farming just as they did in their home lands where moisture was abundant, perhaps superabundant. Sir Lester Kaye, at the head of a large English company of the late eighties owning several farms, mostly in the 8-to-9-inch belt is said to have sent out English ploughs which placed the furrow high in the air to dry! Most of the farmers broadcasted their seed on the upper surface, all unaware that it speedily became too dry to admit of germination, and that there was moisture deeper down. They wondered why they got poor crops. Failure was too frequent in normal years. When an abnormal year, such as 1883, set in the failure was abject. Hard upon the drought of 1883 came the abnormal frost of Aug. 23rd, 1885, which devastated the crops. To these disastrous years, duly reported to the home lands, must be attributed the loss of the reputation of the Northwest in the minds of the English-speaking people in Ontario, in the United States, and in Britain, and the sudden decline in immigration from these countries. In 1886 there was general drought. The Brandon agent, whose reports are in general close to the facts, says that drought in July

caused the yield to be much below the average. There have, however, been some heavy crops, not in any particular district nor on account of the quality of the soil but owing to the cultivation. I found the best crop on summer fallow, next on breaking and backsetting, while fall stubble ploughing was not good, and spring ploughing was worthless, and I account for it in this manner. In summer fallow, the stubble and weeds are ploughed under and have time to rot, the ground also becomes settled by the winter frosts and snow, and evaporation is slow. The breaking and backsetting is naturally rough and more open, and the sod not being all rotted, cannot be pulverized by the harrow and dries quickly.

Thus it began to appear that unsuitable methods of cultivation

were partly responsible for crop failures, and that summer-fallowing could at least discount the drought to some extent. A similar inference was drawn at the same time on the huge Bell Farm, at Indian Head, where the practice was to summer-fallow one-third of the area under cultivation. In 1885 the majority of the horses were away on the transport service of General Middleton's column, whose campaign against the rebels at Batoche had Qu'Appelle station, 8 miles to the west, for base. The result was that little ploughing was done in the spring, and much in June when the teams were back on the farm. A very large proportion of the area under crop in the drought year, 1886, was therefore on summer fallow. The crops on these fields, in spite of the drought, gave a tolerable return, whereas they were a complete failure on ground ploughed that spring. The Qu'Appelle agent's report for the district at large runs: "The crops, although promising well in the spring of the year, were almost a total failure in some parts of this district on account of the great drought which prevailed through the latter part of June last and continuous dry weather the remainder of the season". This did not apply to the summer fallow area of the Bell farm. Thus it began to appear in this area also that suitable cultivation could to some extent mitigate the evil effects of drought. The value of this great discovery will appear in the decade, 1891-1901, when summer-fallowing became a general practice. Meanwhile disillusion prevailed in the settlements in Assiniboia (so far all along the Canadian Pacific line). That disillusionment was not confined to Assiniboia, but was general is shown by a comparison of the entries into homesteads and pre-emptions with the contemporaneous cancellations.<sup>11</sup>

AGENCY	HOMESTEAD		PRE-EMPTIONS	
	ENTRIES	CANCELLED	ENTRIES	CANCELLED
Qu'Appelle	149	255	60	190
Souris	160	265	56	265
Winnipeg	87	104	17	28
Dufferin	13	77	1	55

When it is remembered that the entries were being kept up by the influx of New Canadians, these figures become even more revealing. The exceptions should, however, be indicated.

<sup>11</sup> *Report of the Department of the Interior, 1886* (Ottawa: King's Printer), pp. 28-29.

AGENCY	HOMESTEADS		PRE-EMPTIONS	
	ENTRIES	CANCELLATIONS	ENTRIES	CANCELLATIONS
Birtle... ..	203	97	45	64
Little Saskatchewan.	137	70	24	57
Turtle Mountain.. . .	186	110	121	81

The lines on the map (Fig. 4) indicating the average of precipitation between April 1 and September 1 are misleading in so far as they suggest an equality of moisture over large areas. It often happens that in any one summer the precipitation varies greatly in the same zone or it may come at an inopportune time. In 1887 the Brandon agent reported: "The yield exceeded all former years and I believe has never been equalled on the continent". In contrast the Qu'Appelle agent in the same zone reported crops as "fairly good, wheat averaging over 20 bushels to the acre". Similar variations are seen in connection with frosts. In 1888 crops were on the whole above the average and prices high, but Brandon reported disappointing damage by frost, whereas at Qu'Appelle, "the crops would be difficult to excel in any part of the world, wheat averaging 30 bushels to the acre". The year 1889 as reported from Winnipeg was "one of extreme drought". At the Brandon Experimental Farm there was not enough rain "to thoroughly moisten the roots of the grain". Light was, however, being thrown by these distressing years on the proper method of cultivation. The Winnipeg report continues:

In some districts the farmers have suffered severely, while in other parts they had excellent crops. But judging from reports of the farmers and samples of grain which have been sent me from every district between Winnipeg and Calgary, there is ample evidence that even in a dry season by cultivation and careful summer fallow . . . excellent crops may be produced. In many instances a farmer would have a good crop, while his neighbour might have an exceedingly poor one, climatic influences being equal, proving that in this country, as in all others, the successful farmer is one who does not expect a good return without careful cultivation.

The Indian Head Experimental Farm report described just such a winter as in 1930-1931, one of almost unknown mildness, followed by heavy winds as soon as the seed was sown in spring doing great injury. During the summer exceptionally dry weather was experienced.



In some localities where soil was favourable and the farming done in accordance with the requirements of the country the crops did fairly and considering the excessive dry weather remarkably well. . . . Our season points to only one way in which we can in all years expect to reap something. It is quite within the bounds of probabilities that some other and perhaps more successful method may be found, but at present I submit that fallowing the land is the best preparation to ensure a crop.

As if to prevent the people from forgetting that there was also a problem of frost to be faced, the crop of 1890 was, in some parts, badly damaged by frosts on August 22nd and 23rd. Early-ripening wheats escaped on the experimental farms at Brandon, but Red Fife suffered. The Indian Head Farm reported that "the whole country has been greatly injured." On the Farm "nine days changed an acre of Red Fife, promising 40 bushels, to an actual yield of 23 bushels per acre."

The experience of Mr. Alexander Kindred, pioneer of Moffat, south of Wolseley, may be said to be an epitome of the whole country.

[In 1885] we had only 10 bushels [per acre] of very badly-frosted wheat. I took some to Indian Head and traded it for flour, shorts, and bran. I had no money to pay expenses. . . . In 1886 we had 80 acres under crop. Not a drop of rain fell from the time it went in until it was harvested. I sowed 124 bushels and threshed 54. In 1888 we began to think we could not grow wheat in this country. I had now 120 to 125 acres under cultivation. We put in 25 acres of wheat, 10 to 15 acres of oats, and let the rest go back into prairie. That year we got 35 bushels [of wheat] to the acre! So we went to work and ploughed up again. The next year wheat headed out two inches high. Not a drop of rain fell that whole season until fall. We summer-fallowed that year (1889) for the first time, and, to show the optimism, we put in in 1890 every acre we could. We had wheat standing to the chin but on the 8th July a hailstorm destroyed absolutely everything. My hair turned grey that night.

Meanwhile immigration into this perplexed land had not ceased. The happy crop and high prices of 1888 gave a fillip to migration from Ontario, many going to Regina and Moose Jaw. The New Canadian settlements were filling up. Even new colonies were being established. The agent at Moose Jaw in the 9-inch precipitation belt reported arrivals in 1889 (mostly from Ontario and many well-to-do) exceeding any year since 1883. The agent at Regina reported an increase on the previous year, again mostly from Ontario. Ninety somewhat indigent Germans arrived, assisted by the Canadian Pacific Railway Co. by free transportation from Winnipeg. The immigration into the Brandon region also increased. The Church Colonization Land Company began Christ

Church Colony near Qu'Appelle, but it fell far short of success. The same company established a colony at Churchbridge, south of Saltcoats in 1888. This also failed from lack of knowledge of the simple elements of agriculture, both in its promoters and in the settlers. An Anglican cleric, a member of the directorate, wrote to the colonists to explain that, under the government scheme, they were equipping them; and they would buy oxen rather than horses because not only would they be good for ploughing, but they would supply a suitable quantity of milk for the families! The colonists knew little more about agriculture than their benefactors and found it very difficult to establish themselves in a bush country, least of all in a drought year like 1889. They grew discontented and many left. In 1887 the Commercial Colony of crofters and others was established in the same region. The crofters were brought out under a scheme of the Imperial Government to relieve the congested home areas. They did not thrive here, but others placed at Killarney, near Pelican Lake, Man., in the midst of experienced settlers and in a happier country did well. The German colony, Hohenlohe, near Langenburg, received accessions and new settlements whose name betrays their origin were effected—Landshut, Beresina, Landestreu, and Hoffenthal. A German and Austrian colony, Ebenezer, and a Danish settlement, New Denmark, were established near Yorkton. While the settlement in this region was largely due to the energy of the Manitoba and North-Western Railway, there is room for the conjecture that the settlers hoped to escape the adverse conditions which had been met along the Canadian Pacific line. It was, however, essentially the same country, with the difficulty of clearing away the bush added. The settlers too made the same mistakes. Dr. Patrick of Yorkton, then at Saltcoats, tells of his sowing broadcast on the dry upper surface of his homestead and reaping nothing; and there were many like him. Others, however, were feeling their way towards new methods of culture. One planted some wheat by drilling it in, like garden stuff. "Despite the drought and heat [of 1889] it did well. Three Canadians south of Saltcoats after sad experiences sowed in the stubble and ploughed it in by shallow ploughing so that the seed rested in the moister lower soil. It germinated and did well". In the early nineties Angus McKay of the Indian Head Experimental Farm passed through the region preaching the gospel of summer fallow and was eagerly listened to. Thus the settlers of this region, late-comers, were subjected to a

shorter period of tribulation and adopted early the agricultural methods which were believed to be best for the country.

In 1889 three German colonies were established in the driest of the dry region, Rosenthal and Josephsburg near Dunmore, and one farther west at Seven Persons. They were a complete failure, and the colonists were removed to the colonies of their fellow-countrymen farther east. New German settlements, Neudorf (1887) and Josephsburg (1890), were placed north and south of Grenfell, and another north of Wolseley.

Looking at the growth of population in Assiniboia as seen in the Censuses of 1885 and 1891, in the Qu'Appelle-Regina-Moose Jaw region the total increase was 2,625. The increase in the foreign population was 2,474. The English-speaking population in spite of many new-comers of their own ilk was increased by but 151 souls. Manifestly, many English-speaking settlers had abandoned the country. The occupiers of land in the region in 1885 were 2,593; in 1891, 2,502, a decrease of 91, in spite of the influx of foreigners and of English-speaking immigrants. These figures proclaim the tribulation of the region. The figures of the Broadview district which included the newly-settled area along the Manitoba and North-Western Railway tell the same tale. The population in 1885 was 6,844; in 1891, 11,924. Of this number 3,452 were located in the newly-settled northeast, leaving 7,472 for the older region, an increase of but 628 in spite of the influx of New Canadian population to the southern colonies of the region, Esterhazy, New Stockholm, etc. The occupiers of land in the whole Broadview region were in 1885, 2,465; in 1891, but 2,968. Despite the new settlers in the northeast, the increase was but 504. Manifestly the English-speaking speculators, who had come in to cultivate the land and sell at a profit, and many a homesteader, who had failed to make good under the adverse conditions, had left the region, and the New Canadians had done little more than fill their place. In the process the whole complexion of Assiniboia had changed. In 1885 it was an English-speaking country. In 1891 it was already polyglot.

## *2. The District of Saskatchewan*

The district of Saskatchewan included the valley of the North Saskatchewan and of the united rivers. The abandonment of the first survey for the Canadian Pacific which placed the railway along the southern border of the district westward from the valley

of the Assiniboine, left Saskatchewan much as it has been in the previous decade. Its transportation was partly by trail to the main line of the Canadian Pacific, from Prince Albert to Troy, now Qu'Appelle, and from Battleford to Swift Current. During the summer, freight continued to be brought in by steamboat up the Saskatchewan River. These settlements including Saskatoon were given an artificial and momentary prosperity by the large expenditures of the Dominion Government in suppressing the Rebellion of 1885. They were all practically in the zone of 9 inches of summer precipitation with the added disadvantage of being more exposed to early frosts than regions farther south. The drought of 1884 left them practically without seed, and the disturbances of 1885 prevented any large crop from being put in. Such crop as existed in the whole district was destroyed by the frost of August 23rd, 1885. The Dominion Government set aside \$46,884 for the supply of seed. The wheat hitherto sown was probably of the old Red River settlement variety. Now the best Red Fife was introduced whose early maturity would be a partial protection from early frosts.

The excessive drought of 1889 led the district into new ways of gaining a livelihood. The grass of Assiniboia was so far wilted that the Browns and Balfours of Lumsden and Regina drove their cattle up to Dundurn, 40 miles south of Saskatoon, where the pasture was discovered to be good. The settlers of Saskatoon whose farming had been a complete failure thus had their attention turned to ranching on a small scale. Archie Brown of Saskatoon tells of his procedure:

The late Ben. Prince of Battleford was a large buyer and shipper of cattle. Gordon and Ironsides, of Winnipeg, were also buyers and also W. Sinclair. Three-year-old steers were bought, always on the feeding ground in the spring for shipment when called for in the Fall. We considered forty-five dollars a good price for three-year-olds.<sup>12</sup>

Ranching paid and the Saskatoon region remained a stock-raising region till the first years of the twentieth century.

In the same year of drought, farmers abandoned the country about Qu'Appelle River and drove their cattle northward into Saskatchewan. Among them Mr. Buchanan settled as a stock-raiser in the neighbourhood of Buchanan, named after him. Others wandered into the valley of the Swan River. The difficulties of transportation were not as great with cattle as with wheat. The

<sup>12</sup> *Narratives of Saskatoon, 1882-1912* (Saskatoon: 1912), p. 38.

animals could be driven any distances over the prairie, grazing as they went, to the suitable railway station.

### 3. *The District of Alberta*

Giving evidence before the parliamentary Committee on Colonization and Agriculture in February, 1890, Rev. Leo Gaetz described the Alberta of his day. It lay between the 111th degree of longitude and the Rockies, west of the district of Assiniboia and Saskatchewan. From the point of view of its resources, Gaetz divided it into three regions. "Here is, first, that western portion of Alberta which takes in the eastern slope of the Rocky Mountains and cuts through the foothills to the prairie proper, in which division the hand of Providence has treasured immense mineral wealth [coal], and forests of timber and everlasting reservoirs of water." He described southern Alberta as lying between this region and Assiniboia and extending from the international boundary to about 40 miles north of Calgary. It was "one of the greatest stock countries of the continent of America". He added, however, that "it is only just to say that in many parts of southern Alberta I have seen crops of the ordinary kinds of grain—wheat, oats, and barley, very excellent, both as regards quality and yield." In this connection he mentions High River, Sheep Creek, Fish Creek, and the valleys of the Elbow and Bow. Gaetz described northern Alberta as including the valleys of the Red Deer, Battle, Saskatchewan, and Sturgeon Rivers—"in my humble judgment, the garden of Alberta, a country pre-eminently suited to mixed farming".

The evidence of Mr. Gaetz was published by the Department of Agriculture<sup>13</sup> when the railway was about to reach Wetaskiwin and about a year before it reached Edmonton. Up to this time northern Alberta had continued its isolated existence as already described. Its connection with the outer world had been, during summer, by the steamboats on the North Saskatchewan, and from 1884 by trail to the Canadian Pacific transcontinental. It was now, 1890, on the eve of its development as a great farming region.

Meanwhile southern Alberta had been progressing on lines laid down by its characteristic physical features. A region with a limited annual rainfall, it was true prairie—in the eyes of Palliser, an "arid level",—yet it had been the winter home of the buffalo. Its climate had the effect in the autumn of curing its grasses without

<sup>13</sup> *Alberta, N. W. T.: Report of Six Years' Experience of a Farmer in the Red Deer District* (Ottawa: Department of Agriculture, 1890).

loss of their nourishment. Its chinook winds melted the snow in winter, from time to time, so that grazing animals could always nose down to the grass. Cattle and even horses could thus winter in the open safely. While the plains were arid, there are many streams rushing down from the Rockies helping to solve the problem of watering stock. Thus it was pre-eminently a ranching country.

Before ranchers could come in, something like law and order must prevail, all the more as the cattle would be wandering out in the open. The arrival of the North-West Mounted Police, whose headquarters in 1874 were at Fort Macleod, their suppression of the American traders in whiskey, and the establishment of the Blackfeet tribes on their reservations in 1877, were pre-requisites to the settlement of ranchers in the region, as also the extinction of the buffalo herds, which may be dated at 1879. Ranching in southern Alberta is simply the expansion of the stock-raising industry which began in Texas and in the late seventies and in the eighties spread rapidly northward over the plains west of the Mississippi. As early as 1871 John McDougall and his brother brought in a small band of horses and cattle, and next year 100 head of cattle, to Morleyville from Montana. In 1875 one Henry Olsen and Joseph Macfarlane brought in dairy cattle to a farm near Fort Macleod. The produce of these herds found its market at the fort of the North-West Mounted Police and in the government service of the Indian reservations. Ranching proper, which is the ranging of cattle on the open prairie, began in 1877 when one Fred Kanouse placed a bull and 21 cows upon the open plains. By 1880 small ranches existed west of and about Calgary, at Fort Macleod, and on Pincher Creek.

The Land Act of 1872 provided for grazing leases in a general way. By 1881 it became necessary to make specific provisions regulating ranching. An Order-in-Council of May 18th, allowed 100,000 acres to any one party, on condition that one head of cattle was placed on each acre. The rental was paced at one cent per acre per annum. The lessee was allowed to acquire land on his ranch for his home, and his corrals. The lease was to run for 21 years. In 1886 the rental was doubled, at 2 cents per acre, and thereafter 2 acres was allowed for each head of cattle. From 1887 the leases were disposed of by auction.

We cannot enter into all the problems which beset the ranchers—the difficulty which the police found in persuading the Indians that they were not at liberty to kill the cattle on the plains at

their will as they had done with the buffalo; the disputes between rancher and rancher as to ownership of the range cattle; the losses by packs of timber wolves which grew rapidly when the United States fur-traders were cleared out of the country. Continual disputes arose over the springs and watering-places. Interlopers would come in and squat or homestead at a watering-place and claim it for private property. In most cases, probably, the intention was to develop a herd and enter into ranching, but the range cattle were debarred from the use of their former water-place. The Government met the situation in 1885 by setting aside reservations open to all comers. All the springs unappropriated at that time were reserved for public use.

Under the regulations imposed by the Dominion Lands Act of 1881, many ranches were started around Calgary, in the Fort Macleod and High River regions, west of Fort Macleod on the Oldman River, and to the east in the Lethbridge region. Notable among these were the Cochrane, Bar U, Oxley, Winder, and Cross ranches. In 1892 there were 139,283 head of cattle on the ranches.

As the ranches increased in number some sort of organization became necessary. The "round-up" was the collection of all the range cattle of a district for the settlement of the question of ownership and to brand the calves. Stock associations of the ranchers of a whole region were formed to deal with larger issues, e.g., the depredation of the wolves, and the relations of the industry with the government. Horse and sheep ranching never reached the dimensions of the cattle industry.

In the marketing of the cattle, the distinctive character of Alberta as an economic unit begins to appear. In one sense the region is linked to the east; it is but the most westerly lot in the group whose waterfront is the Atlantic. Hence Alberta cattle were sold in the markets of Eastern Canada and in Britain. In 1887 the first trainload was sent to the overseas market. The export to Britain was checked by the embargo of 1892 on the ostensible ground that pleuro-pneumonia existed in Canada. But Alberta also faces west. Its cattle found a profitable market in the mining regions of British Columbia.<sup>14</sup>

Two additional features differentiate Alberta from the plains to the east, its irrigation and its coal mines. The crop failures of 1885 and 1889 due to drought turned attention to the possibility of irrigating dry areas in the southern part of south Alberta.

<sup>14</sup> See, in this series, Vol. IX, Part II.

The establishment of a settlement of Mormons in 1887 at Cardston contributed to this end, for this people had come from the state of Utah whose prosperity is based on irrigation.<sup>15</sup> Ditches dug in these early times were private enterprises and inexpensive, but the Dominion Government was studying possibilities closely with a view to large schemes of irrigation.

The first attempt at coal-mining was on the Belly River near Lethbridge, then called Coalbanks. In 1881 Sir Alexander Galt visited the region and formed a company with a Mr. Lethbridge among the partners. Seams were secured at Lethbridge, at Woodpecker, and at Blackfoot Crossing. The supply of coal near its line proved a great advantage for the Canadian Pacific Railway. The North-Western Coal and Navigation Company, incorporated in England in 1882, received a charter from the Dominion Government in 1884. It built a narrow-gauge line from Medicine Hat to Lethbridge in 1885, thus gaining connections with the Canadian Pacific main line. This was continued *via* Coutts to Grand Falls, Montana, thus getting contact with the Great Northern Railway to the south.

While everything but ranching was still in a small way in the district of Alberta, what with the railway from Calgary through a fine region for settlement towards Edmonton, with the organization of the coal industry, and first experiments in irrigation, the foundations of the Alberta which we know were being laid.

#### 4. *Farmers' Institutions*

The decade 1881-1890 saw the first attempt of the farmers of the prairies to organize themselves for the defence of their interests in the face of the overpowering influence of the East. At an early date in the history of Manitoba and the North-West Territories, respectively, the local governments made provision for agricultural societies. These were local in their aim and confined themselves to improving seed and breed. Their main interest was the local agricultural fair. In the eighties the farmers, after the model of similar societies in the Mississippi valley to the south, organized themselves in Farmers' Unions. These were a revolt against the ascendancy of the big financial interests. In December 1883 the Manitoba and Northwest Farmers' Union assembled in Winnipeg in convention, pursuant to a resolution passed at a meeting of farmers in Brandon on November 26th, and supported by assemblies

<sup>15</sup> See, in this series, Vol VII, Part III.



of farmers at Emerson, Portage-la-Prairie, Nelsonville, Manitou, and other places. Its aims were broadcast in pamphlet form.

We have hopefully faced the hardships of isolation and of a vigorous climate and have been and are still willing to contend manfully with the natural disadvantages of our new location. Now, however, that we have for the first time, a surplus of grain, we have discovered that the prices we obtain are not sufficient to cover the cost of production, and that we are face to face with the fact that notwithstanding all our labour and outlay we can barely subsist.

No doubt a combination of unfavourable circumstances, such as early and severe frosts, together with imperfect arrangements for saving and marketing grain, have this season aggravated the farmer's condition and contributed to his discontent. Yet the fact remains that those of us whose crops were untouched by frost and who were at the same time most conveniently situated as to markets, realized little or no profit on our produce.


The pamphlet inveighs against "the excessive charges of a railway monopoly" and "an oppressive tariff which, however beneficial it may be to the manufacturing Eastern Provinces, cannot fail to be inimical to the interests of a purely agricultural country such as this". The "Declaration of Rights" drawn up demanded recognition of the right of the provincial government to charter railways. Absolute control of natural resources by the province, the removal of the duties on agricultural implements, and finally, the immediate construction of the Hudson Bay Railway, were demanded. The provincial government was called upon to amend the *Municipal Act* to enable "the municipalities to construct elevators, grain warehouses, and mills and to issue debentures to defray expenses of the same." In 1884 the revolt against the policies of the Dominion Government, as voiced by the Farmers' Union, was general throughout Manitoba. Extremists were in favour of declaring the independence of Manitoba. Some even sketched a scheme for the entrance of the region into the United States as a state.<sup>16</sup> Members of the Farmers' Union even contemplated armed revolt.<sup>17</sup> The local branches of the Union proved a serviceable means of propaganda. Membership was not confined to farmers. Any ratepayer over eighteen years of age might join. Three hundred delegates attended the annual convention of March 4th, 1885.

A "Settlers' Union", formed in 1883 at the Ridge, east of Prince Albert, on the model of the local branches of the Union, gave

<sup>16</sup> "Memorandum on the Present Condition of Feeling in the Canadian North West", Sir John A. Macdonald Papers, 1885 Rebellion, Vol. I, Public Archives of Canada.

<sup>17</sup> See N. F. Black, *History of Saskatchewan and the Old North West* (Regina: 1913), Vol. I, p. 260, for a letter to that effect.

expression to the discontent of that region. Government officials, ignorant of the country, it was asserted, were brought in from the east and the old settlers passed by; contracts for cordwood were given at \$8 to the Hudson's Bay Company, which sublet them at 50c and \$1 per cord. Protests were entered against a large reservation of land, on which were a number of settlers, granted to the Prince Albert Colonization Company, a group of land speculators of Ottawa, including a senator. As the members of the Settlers' Union were too few to make themselves heard in distant Ottawa, they fell in behind Louis Riel and the half-breeds, at least in the early stage of the Riel movement of 1884-1885. After the Rebellion "a thoroughly trustworthy correspondent from Brandon, where he has resided for several years" was reported to Sir John Macdonald as attributing the "foundation of the Rebellion to the Farmers' Union". It led Riel and his sympathizers to believe "the whole country one pile of tinder and that it required but a single match to set it all aflame." The radicalism of the Union, its apparent readiness to resort to secession and even violence, and finally, the outbreak and failure of the Riel Rebellion brought the first attempt of the farmers of the prairies to organize themselves in self-defence, into discredit. The Unions, in their inception a foreign institution, passed away without any positive achievement in the organization of the agriculture of the West.



## CHAPTER V

### SETTLEMENT FOLLOWS THE RAILWAYS, 1891-1901

#### *1. Agriculture Adjusted to Semi-Arid Conditions*

THE completion of the railways, mentioned in connection with the previous decade, directed the stream of settlers to new areas. It will be convenient to consider the years 1891-1896 as constituting a definite phase.

The railway from Regina to Prince Albert was completed in 1890. It brought no large inrush of settlers to the country opened, for much of the area was considered too dry for wheat-farming as the experience of settlers at Saskatoon seemed to prove (Figs. 7 and 8). Settlements were established only at the extreme ends. Germans, chiefly Mennonites (respectively 25 and 125 families), were placed around Rosthern in 1891 (on tps. 41, 42a, 42, 43a, 44, rs. 2, 3, 4, 5, w. 3). The thrift and industry of the people, and their undivided attention to their farms have made the region prosperous although there is in the neighbourhood of Hague a curious little island, so to say, in which the average moisture between April 1st and September 1st does not exceed 8 inches. North of the German section was treated as a French region. In 1893 French from France were placed around Duck Lake, but particularly at St. Louis and Domremy on the east side of the South Saskatchewan. In 1892 a German colony was placed at Boucher, east of Prince Albert at the present Fenton Ferry, in tps. 45, 47, r. 27, w. 2. In the same year on the southern end of the railroad another German colony was placed, at Longlaketon (tps. 21 & 22, r. 21, w. 2), detraining at Lumsden, north of Regina. In 1897 a colony of Ukrainians detraining at Saskatoon settled at Fish Creek on the east side of the South Saskatchewan opposite Hague, and another in the following year at Crooked Lake (Wakaw) about 20 miles beyond northeastward.

The activity of the Calgary-Edmonton line, a region of considerably greater moisture, was great. In 1890 the line was built 94 miles north of Calgary to the south bank of the Red Deer River. On Aug. 10, 1891, the line to Edmonton was officially

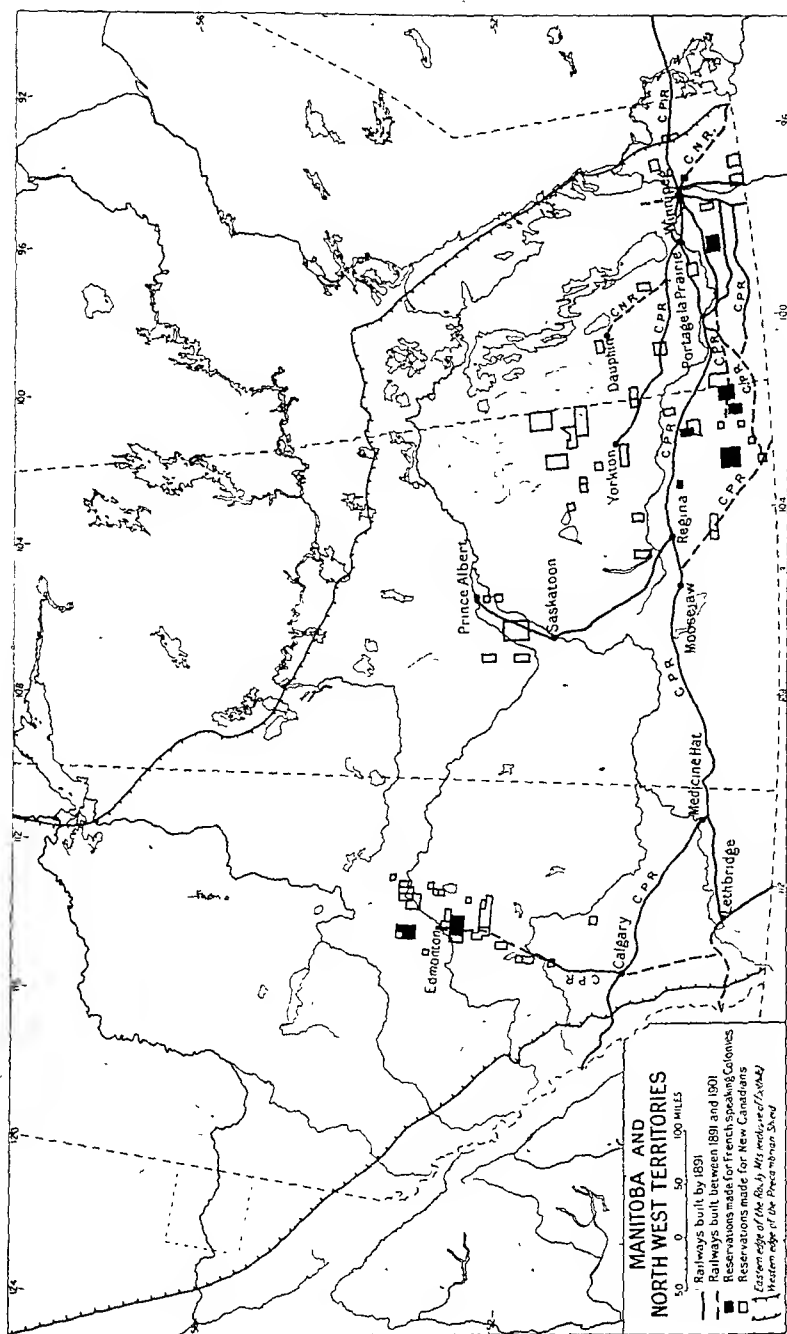


Fig. 7—Manitoba and Northwest Territories, 1901, showing railways and reservations.

reported as fit for traffic as also 50 miles of the line south of Calgary. In 1892 the line was extended southward to Macleod. In 1891 and 1892 Rev. J. B. Morin placed a colony immediately north of St. Albert, about the present Morinville. The settlers were French from Quebec, from the state of Michigan, and from Belgium. In 1893 a French colony was placed immediately east of Leduc, between Wetaskiwin and Edmonton.

Between 1891 and 1894 no less than 14 German settlements were established in the country subsidiary to the railway. These were placed in 1891, at Hoffnungen, west of Leduc, and Rosenthal at Stony Plain, west of Edmonton; in 1892, at Wetaskiwin (a very large reservation); at Rabbit Hills, south of Edmonton; at Josephsburg, at the Beaver Hills, in the neighbourhood of Fort Saskatchewan, northeast of Edmonton; in 1893, at Leduc, and at Dunbow, southeast of Calgary (this last came to nothing); in 1894, at Bruderfeld, on an abandoned Indian reservation south of Edmonton; at Bruderheim, in the neighbourhood of Fort Saskatchewan (both being of Russian Germans of the Moravian Brotherhood); at Egg Lake, north of Edmonton, and west of Morinville; at Beaver Lake, some 35 miles southeast of Edmonton; at Victoria some 40 miles northeast of Fort Saskatchewan in a very isolated position; finally one in the immediate neighbourhood of the railway west of Lacombe (see Fig. 7).

Between 1892 and 1896 no less than 6 Scandinavian colonies were placed in the region. In 1892 three colonies, Edna, at the present Lamont and about 14 miles east of Fort Saskatchewan; New Sweden (eight townships), east of Wetaskiwin; and at Olds on the railway. In 1893 a colony was placed at Swea, at Swan Lake (now Cygnet Lake), about 7 miles west of Red Deer. In 1894, a colony was established on tps. 50, 51, r. 19, w. 4. In 1895, Stony Plain, about 20 miles west of Edmonton, was settled (see Fig. 7).

To these must be added an Icelandic colony (1891) about 6 miles south of Red Deer and south of the Swedish colony on Swan Lake; and a Ukrainian colony (Galicians), the first of its kind in the Northwest (1894-1895), on Limestone Lake.

These European settlements can be definitely placed. The English-speaking settlers who came in as individuals cannot well be traced. The arrivals were in much greater numbers than the Europeans as the statement of the travelling agent for 1896 shows. He divides the settlers (i.e., the heads of families who took land)

as follows: from the United States, 652; from Canada, 303 (of whom 42 from Quebec); from the British Isles, 99 (and 2 from New Zealand); from Europe, 325. Practically 1,056 out of 1,381 settlers in this region that year were English-speaking.

The Manitoba and North Western Railway, extended to Yorkton in 1890, continued to hold attention, all the more as the company was very vigorous in finding settlers for its lands. In 1891, Hoffenthal was added to the German settlements east of Langenburg, Sask., while another German colony was begun at Sheho Lake, and an Icelandic settlement was established at Yorkton. In 1892 another German colony, Wilhelmshe, was started still farther west, east of the Quill Lakes, but perhaps because it was so far from the railway, some 65 miles, it came to nothing. In 1873 a German colony Holstein was placed much closer in, at Tupper, north of Gladstone, Man. In 1894 a Hungarian settlement, Otthon, near Leach Lake, about 10 miles from Yorkton came into being. Two German colonies were established in 1896—one north of Russell, around the present Shellmouth, and the other at Theodore, 25 miles northwest of Yorkton. The first Ukrainians in this region appeared about 1897. Settlements were established at Saltcoats and at Beaver Hills. In 1899 another colony was placed between Shoal Lake and Strathclair, Man.

Very considerable railway construction was being carried out in the Souris River valley, completing connections in that region. The Canadian Pacific line from Kemnay, which reached Hartney in 1890, was open for traffic to Napinka and Melita in November 1892, and was extended to Gainsborough and to Oxbow. The year 1893 saw this last line extended from Oxbow to Estevan (41.8 m.) hitherto called Coal Fields. The construction of the link from Deloraine to Napinka connected the southerly line of the Canadian Pacific from Rosenfeld with the main line *via* Souris and Kemnay (1893). A similar connection was achieved for their central line through Glenboro' to Nesbitt (1891) by extending it 19 miles to Souris (1893). This line which William Pierce had believed would be built in the eighties to Cannington Manor was extended westward to Reston under the name of the Pipestone branch, at which point its extension westward ceased for the time. Construction was not renewed until 1900, when it passed through Manor, 6 miles south of Cannington, killing the latter village and its industries.

The colonies which grew out of this burst of railway construction

call for mention. In the year 1892, a French-Belgian colony, St. Maurice, was placed about 15 miles west of Reston. Southwest of this was another French-Belgian settlement, St. Raphaël, but the settlers detrained at Carnduff, the station beyond Gainsborough on the Souris-Estevan line, which was built the year in which they came in (1892). On this line an Icelandic colony was placed, the colonists detraining at Melita. In this year also another French colony, Notre Dame du Bon Conseil was placed at Deloraine and, on the line southeast from Winnipeg, a German colony at Holand.

Not content with completing its transcontinental line through Canada, the Canadian Pacific Railway Company had been reaching out for United States traffic to the seaboard at Montreal by getting connection through to Chicago. They aimed also at the traffic of the northwestern states both to the Atlantic and Pacific. The Atlantic connections were completed by building to Sault Ste. Marie (1888) and by securing control of the Minneapolis, St. Paul, and Sault Ste. Marie Railway. This railway ran northwestward from Minneapolis to the neighbourhood of the present Portal. To extend its traffic to the Pacific the Canadian Pacific Company built from Portal through Estevan and Weyburn, 160 miles, to Pasqua, the station east of Moose Jaw on its main transcontinental line. This line proved very serviceable for the settlement of the Calgary-Edmonton region, and accounts to some extent for the large number of United States immigrants settling there. However, it ran through the belt in which precipitation between April 1st and September 1st is no more than 9 inches (Fig. 4). None the less, an attempt was made to colonize the region. Near Estevan a French-Belgian colony, Alma, a Scandinavian settlement, a Russian colony, and a Jewish colony were established. At Yellow Grass a German colony was founded in 1892 and, in the following year, a Hungarian colony, Zichifalva (Fig. 6). A glance at the population map of 1901 (Fig. 8) will show that the attempt to colonize (whether by Europeans or by English-speaking peoples) the region, through which this railway passed, had been a failure up to that date.

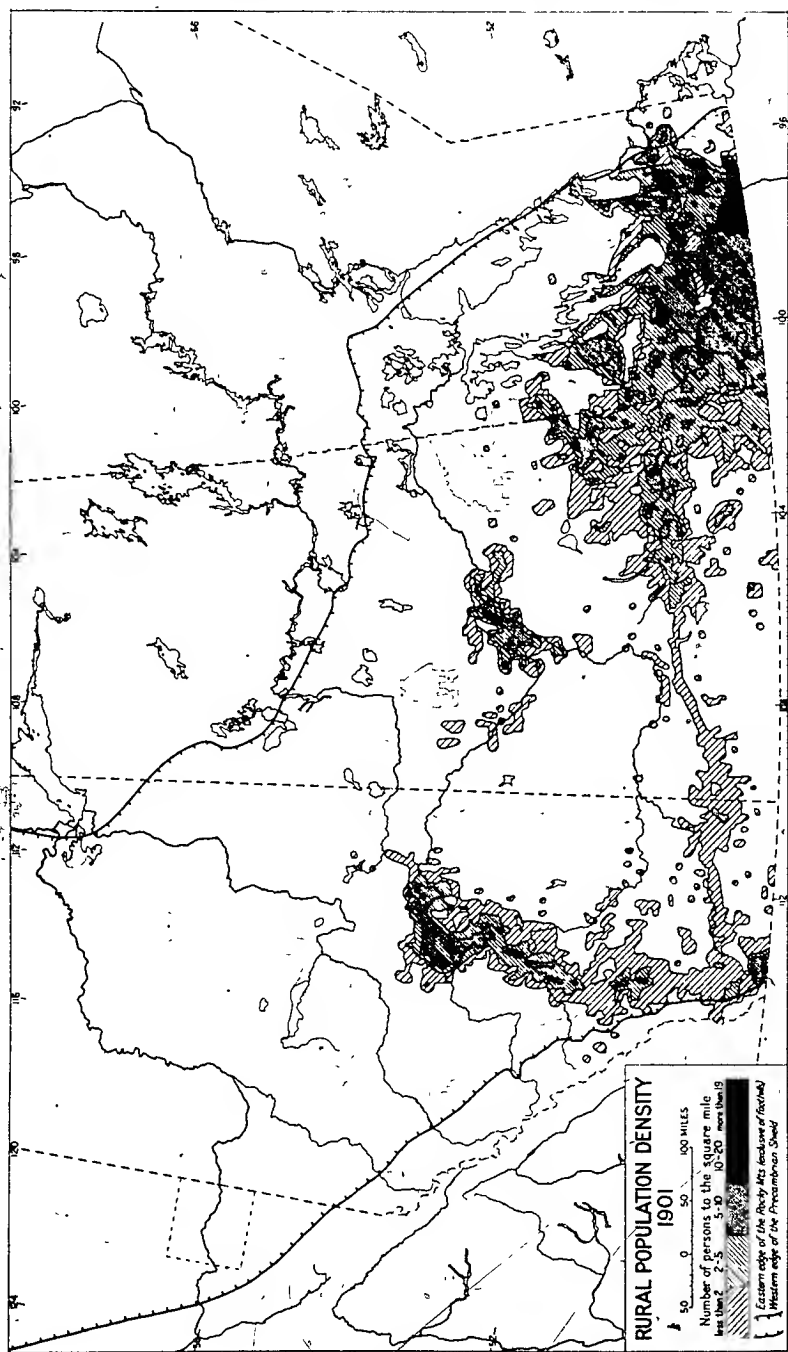
The building of the railways in the southeast of the district of Assiniboia drew the attention of immigrants to that area and, as usual, work on the railway enabled the first settlers to secure the ready money with which to tide over the difficulties of the first years of pioneering. The settlers, however, were guilty of all

the faults of their kind in the other regions. The immigration agent at Estevan wrote in 1895: "The tendency of farmers throughout this whole country has been to try to do too much and do it in a careless slipshod way, and expect to win an abundant harvest." This brought a very severe punishment in the years 1894 and 1895 for the drought, very general in Assiniboia, was greatly felt in this drier area. Settlers abandoned their homesteads and the district was declared a failure. The immigration agent, however, protests that some who knew how to work their farms got 35 bushels of wheat to the acre, and he made the prophecy that "time will see this one of the fairest and most prosperous portions of our Northwest". He reported, the year before, that the French colony of 40 families established on township 8, r. 7, w. 2 was doing well, but the Russian colony was proving a total failure. He attributes the failure to the attempt to farm too large an area and in a rough way, and to the debt for implements in which this policy involved the settlers. In view of the low prices wheat was bringing, this proved disastrous. The Jewish colony suffered much in the early days but held on till better seasons and higher prices came; it attained a measure of prosperity by 1896. So too with the thrifty and industrious Swedes who settled in the immediate vicinity of Estevan. In the early years they had written to their friends at home not to come out, but in 1896 they were advising them to come. Nevertheless in that land agency (Coteau) that year there were but 31 entries, while there were 49 cancellations of homesteads; and but 2 sales of pre-emptions as against 20 cancellations. In his report for 1895, the agent for the Estevan district complains that "Almost all of the immigration this year has been through, and not to Eastern Assiniboia, and for the most part to the country adjacent to the Calgary and Edmonton Railway."

The immigration agent at Estevan was correct. What was wanted was methods of cultivation suitable to a semi-arid region. These had been discovered more particularly, as we have seen, on the Bell farm at Indian Head and were thereafter being tried out and elaborated on the government's experimental farm at that place. A succession of tests brought out the value of windbreaks and proper depth of seeding for various types of soil, but above all showed the value of summer-fallowing. For example, in 1889 Angus Mackay the presiding genius on the farm reported:

Our seasons point to only one way in which we can in all years expect to reap something. It is quite within the bounds of probabilities that some other





[Figs. 8-11]—Rural population density of the Prairie Provinces at various intervals (based on the township population figures of the census of those years). In the maps of this series the population of Indian reserves, organized villages, towns, and cities, and of isolated settlements in unorganized territory is not included; the area of the townships is based on data in the Census of Canada for 1911. In cases where the areas were not given they were calculated from the "Sectional Maps" of the Topographical Survey of Canada.

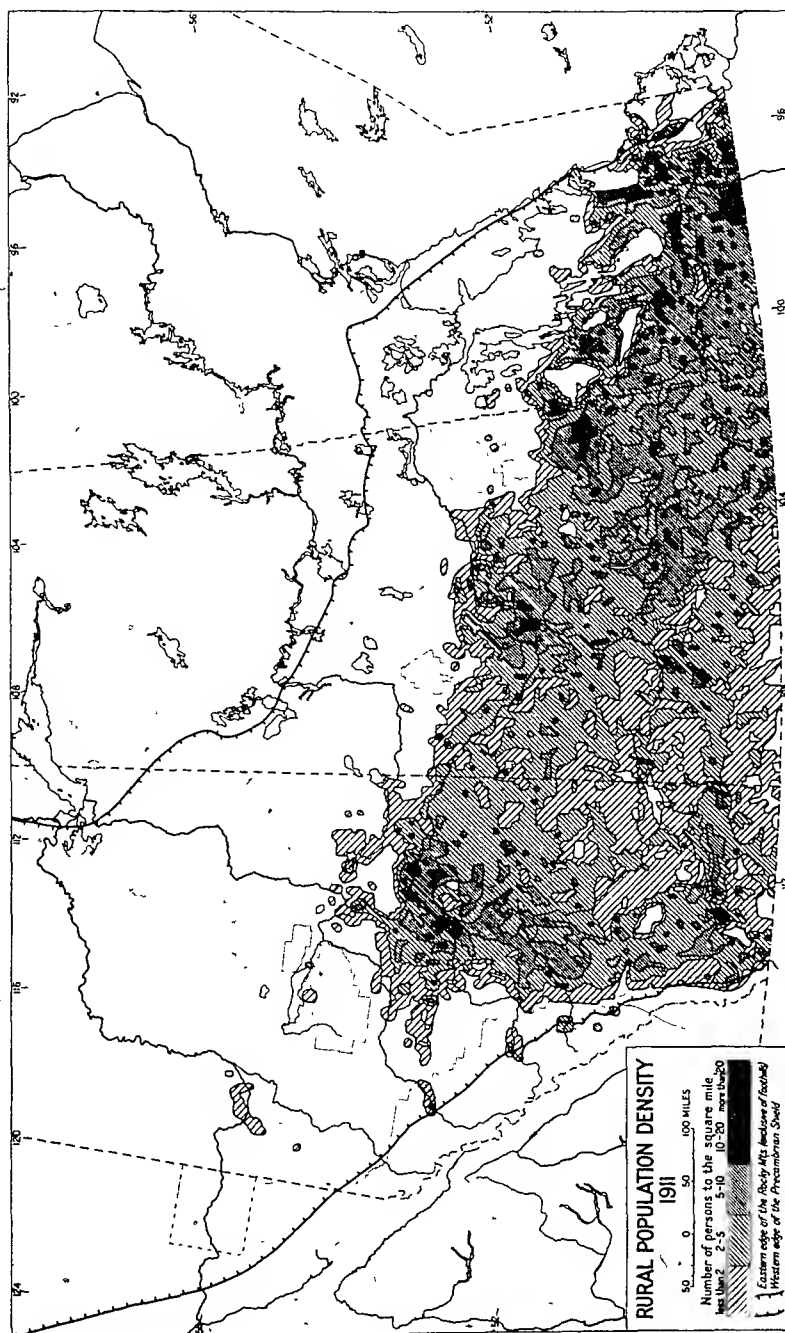


FIG. 9

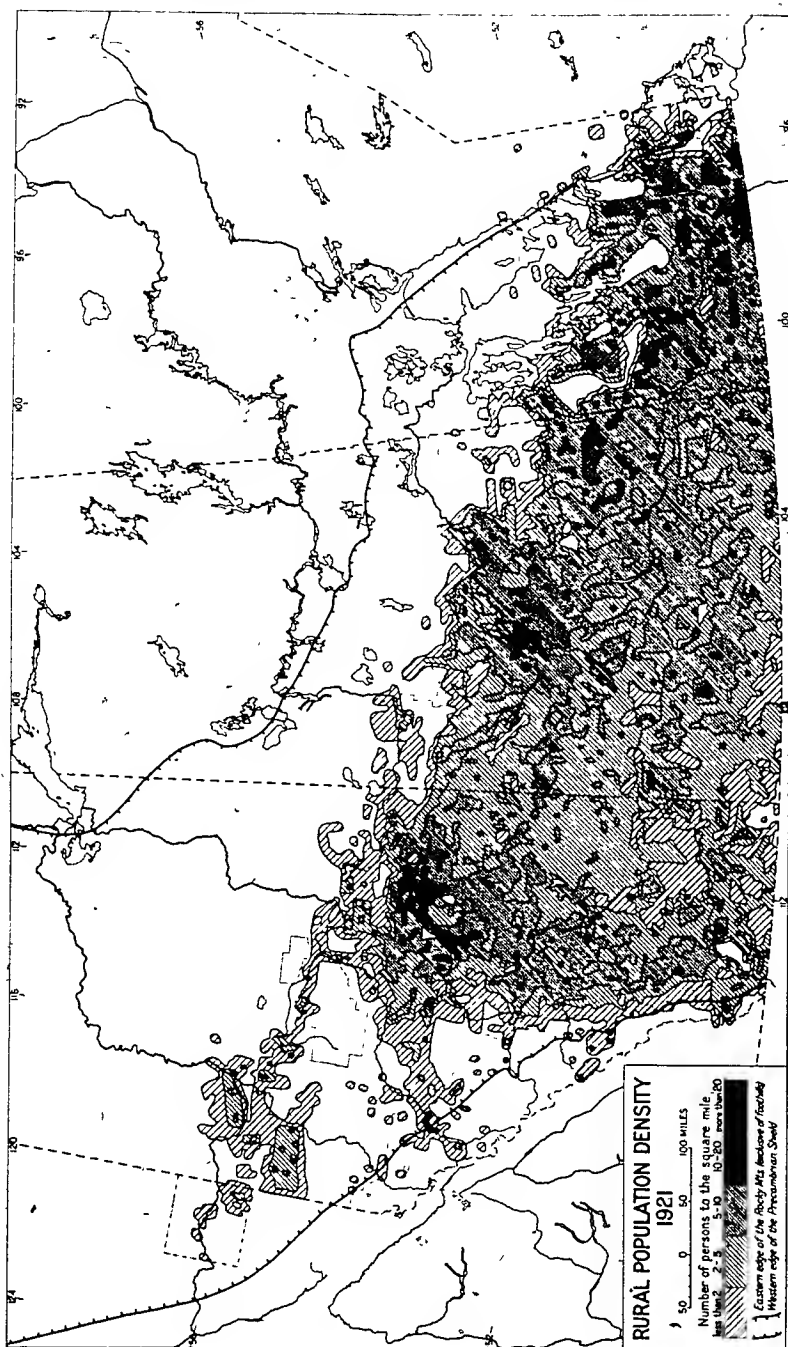


FIG. 10

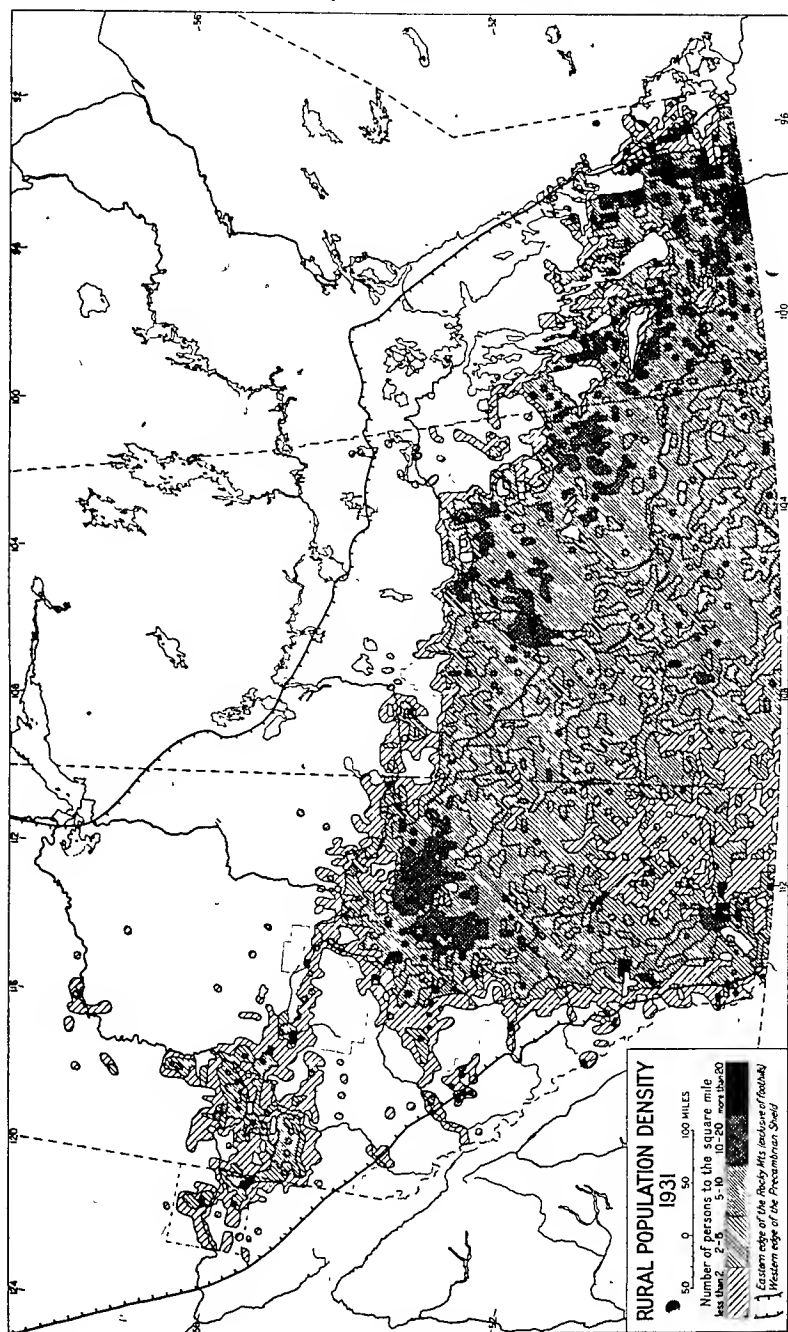


FIG. 11

and perhaps more successful method may be found, but at present I submit that fallowing the land is the best preparation to ensure a crop. Fallowing land in this country is not required for the purpose of renovating it, as is the case with worn-out lands in the east, and it is a question yet unsettled how much or how little the fallows should be worked, but as we have only one wet season during the year, it is found beyond doubt that the land must be ploughed the first time before this wet season is over, if we expect to reap a crop the following year. This wet season comes during June and July, at a time when every farmer has little or nothing else to do, and then this work should be done. Usually seeding is over by the first of May, and to have the best results the land for fallow should be ploughed from 5 to 7 inches deep as soon after this as possible. Land ploughed

TABLE I—COMPARISON OF RESULTS FROM DIFFERENT METHODS OF CULTIVATION, INDIAN HEAD EXPERIMENTAL FARM, 1895

	DATE OF RIPEN- ING	MATUR- ING PERIOD (days)	LENGTH OF STRAW (inches)	CHAR- ACTER OF STRAW	KIND	WEIGHT OF STRAW (lb. per acre)	YIELD PER ACRE (bus.)	WEIGHT PER BUSHEL (lb.)
Red Fife Wheat.								
Fall ploughing..	Aug. 27	140	48	Stiff	Bald	520	38.75	61
Spring ploughing	Sept. 7	151	46	Stiff	"	500	28.30	60
Summer fallow..	Aug. 22	135	49	Fair	"	624	41.33	62

after July is of no use whatever, unless there is rain in August, which very seldom comes to any great extent. A good harrowing should succeed the ploughing, and all weeds or volunteer grain be kept down by successive cultivation.

Again Mackay reported for the season of 1894, "the poorest since the farm has been established".

In no year has the beneficial effect of fallowing land been so apparent on the Experimental Farm as during this season. While grain sown on fall and spring ploughing held out for a time and at first promised well for a good crop, it gradually went back and finally was not worth cutting. Fallow land on the other hand held out and proved, as it always has done, to be the only safe way of growing grain in this country. In the districts where almost total failure of crops took place, "fallows", it was said, were of no avail in averting the loss. This may have resulted from various causes, but may be safely put down to the fallow not having been worked early enough in the spring to receive the full benefit of the June and July rains of 1893. Many farmers leave their fallows till the proper season is past for the first ploughing, and then make one ploughing do for the season, resulting, in dry years, in certain failure.

On a test of the relative values of fall ploughing, spring ploughing, and summer fallow, in 1895 (Table I) Mackay reported:

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The result is greatly in favour of fallow. As between fall and spring ploughing the returns are very considerably in favour of fall ploughing. This was caused by the grain on fall ploughing coming up at once and continuing to grow until ripe; while that sowed on the half-acre ploughed this spring did not come up until the first week in June (after the rains came) and although it produced a good crop of straw the grain was caught by the frost on 30th August and greatly damaged.

TABLE II—RESULTS FROM SUMMER-FALLOWING ON INDIAN HEAD EXPERIMENTAL FARM AND ON MOTHERWELL FARM, 1891-1900\*

YEAR	ANNUAL RAINFALL (inches)	YIELD OF WHEAT (bus per acre)		
		FALLOW	STUBBLE	MOTHERWELL FARM
1891 .. .. .	14 03	35	32	30
1892 .....	6 92	28	21	29
1893.....	10 11	35	22	34
1894 .. .. .	3 90	17	9	24
1895.....	12 28	41	22	26
1896 .. .. .	10 59	39	29	31
1897 .. .. .	14 62	33	26	35
1898.. .. .	18 03	32		27
1899 .....	9 44	33	.. .	33
1900.. .. .	11.74	17	25	25

\* S. D. Clarke, *Settlement in Saskatchewan with Special Reference to Dry Farming* (University of Saskatchewan, Unpublished thesis).

The results of the tests on the Indian Head Farm were broadcasted through Assiniboia in the reports of the Experimental Farms, and the late Dean Rutherford, of the Agricultural College of Saskatchewan, has said that when he was in Iowa in a prairie region, he and the farmers around were watching for these reports, and that when the Americans came up and applied the dry-farming methods successfully in the area around Saskatoon they were no more than giving back to Canada what they had received. Not content with broadcasting his reports, Angus MacKay visited various parts of Assiniboia preaching the gospel of dry farming. The years of disaster had weeded out the farmers who were, in a sense, real-estate speculators, hoping to sell out their improved lands at such a price as to enable them to retire from farming to more comfortable means of livelihood. The adoption of methods of dry farming, and a more single-eyed devotion to agriculture

enabled the farmers who remained, to attain to wellbeing, even if at an all too slow rate. Throughout the decade 1891-1900, constantly recurring drought proved a healthy stimulus to exodus on the one hand, and to intelligent agriculture on the other. As late as 1896 the Superintendent of the Royal North-West Mounted Police wrote:

Some townships which were once well settled up are deserted, and others with only two or three settlers left. . . . Most of the settlers have changed to better locations, but some have moved away to the United States. . . . Quite a number of the Germans settled about Balgonie are leaving. . . . Their crops have been failures until this year, and they have become burdened with debt. Although their grain crops did not grow, the interest crops did, and being unable to meet any payment for several years, small debts have grown into big ones until many of the unfortunate men found themselves submerged. . . . There was a good deal of distress in the districts of Regina and Moose Jaw until the crops were harvested. The North West Government expended a considerable sum in public works, but the want was so wide-spread that no great amount fell to the lot of any one person.<sup>1</sup>

In 1894 the Commissioner of Dominion Lands had reported of the settlements about Langenburg: "Much suffering has been experienced owing to drought and scarcity of water. . . . A certain number have abandoned their homesteads discouraged by the want of water and disheartened by the failure of their crops in past years". Only a few of the crofter settlers were now left in their colony near Saltcoats. Despite all this failure, indeed it might be said, because of it, the more intelligent agriculturally were reaching out to prosperity. With the utmost industry they put their seed in at the earliest possible moment that the harvest might escape the early autumn frost; they summer-fallowed to ensure something of a return in a drought-stricken year; they turned to stock-raising, to dairying, some few to poultry yards, to increase their profits. In the hard school of experience and through those laboratories of agriculture, the experimental farms, the settlers were learning to live and labour as the nature of the country dictated. The report of the Department of the Interior for 1896 runs:

There is abundant evidence throughout the country that settlers have adopted the principle of mixed farming with advantage to themselves and the community at large. The operations of the creameries have been greatly appreciated, and butter has been exported from Manitoba and the North-west Territories in large quantities to British Columbia and even to Japan. There is, moreover,

<sup>1</sup> *Report of the Royal North-West Mounted Police, 1895* (Ottawa: King's Printer), pp. 57-58.

a steady demand for creamery butter in the larger towns far in excess of the supply.<sup>2</sup>

The reference is to the very intelligent policy of the Government devised to encourage the manufacture and export of cheese and butter. Inspectors were appointed to bring these products up to a standard acceptable in the British market. Transportation in cold storage was arranged and the Government at times supported the exporter with advances in money. While this policy applied particularly to the eastern provinces, it tended to direct the farmers of the North-West Territories to diversified farming, and thus to discount the great losses of a year of drought. In 1895 special efforts were put forth in the Northwest. If a reputable joint-stock company of farmers put up an acceptable plant at an approved site, the Department of Agriculture would grant a loan, and would operate the plant in the interest of the farmers, giving them monthly part-payments in advance. A cent a pound would be taken on the butter, chiefly to repay the loan. When the government loan was repaid the plant would be placed in the complete control of the joint-stock company. Fifteen thousand dollars was voted to start a revolving fund devoted to the support of new creameries as they were established. The scheme proved a great boon to those parts of the west adapted to dairy farming, and especially to Alberta with its market in British Columbia. The skimmed milk, by-product of the creameries, in after years led the farmers to turn their attention to hog raising. The report continues:

From every agency reports are being received of the amount of stock being shipped to the European markets, and this trade is steadily on the increase. Heretofore our settlers have to a great extent imported pork and bacon. The raising of pigs is now receiving attention, and farmers find themselves able to dispose of a surplus each winter. Curing establishments are springing up, and a supply of excellent bacon is placed on the market, although at present in small quantities. The factories still find it necessary to import pork from the east, but this no doubt will cease shortly. There is a wide field open to the North-West farmer in the raising of poultry. It has been long since demonstrated that ducks and fowls succeed here with a minimum amount of care, but there is very little done towards supplying the home markets. The inclination is to grow wheat, and in so doing many lose sight of the value of a good poultry yard. Every winter a large quantity of poultry is imported from the East, and there is a demand in the larger towns of which our settlers should avail themselves. One difficulty appears to be the proper preparation of the birds, which are not handled as carefully as in Ontario. If farmers could only

<sup>2</sup> *Report of the Department of the Interior, 1896* (Ottawa King's Printer), Part I, pp. 8-9, see also, in this series, Vol. IX, Part II.



be got to recognize the valuable adjunct they possess in poultry they would devote some of their energy to it.

Next year, 1897, Mr. William Pearce reported on the Northwest at large to the Minister of the Department of the Interior.

The improvement in the business of the Territories during the past two years is almost incredible, caused largely by better markets for low-grade stock, better crops in 1896 and 1897 than in 1895, a better market owing to the development [of mining] in British Columbia and also to a very considerable extent, because the settlers have got down to "hard pan" and are keeping within their means. The people generally have arrived at a better understanding of the conditions, and if this only lasts for a year or two longer and the settlers continue to practise economy and industry, then the country will be in a condition to stand a very considerable reverse, both in product and price without materially clogging its progress.

We took the sad experiences of Alexander Kindred of Moffat, south of Wolseley, as typical of the farmer in the dry belt in the eighties. Kindred's fortunes in the nineties continue typical. Though he had left, from the 1890 crop, seed which graded No. 6, in 1891 he got 35 bushels to the acre and was at last, after 7 years, able to furnish his house.

In 1892 we had only a partial crop but by this time we were beginning to see the mistakes we had got into every year. We had put up poor stables for our stock—just apologies for shelter. I now decided to build a good barn. . . . It was 34 feet wide, 66 feet long. . . . The years 1893, 1894, 1895, and 1896 were just a repetition of former years. A year after prices ran up 75 per cent. I just caught the market on the bedrock and my barn [just completed] paid for itself in less than three years and is standing to-day. . . . We made it in mixed farming and poultry and Scotch thrift. . . . In the fall of 1901 I took my first holiday home to Scotland.

It may have been because of the gradual improvement in methods of agriculture, or, perhaps, simply because railway construction in other parts had ceased, that European colonies, after a gap of some three years, began to be placed once more in the territory of the main line of the Canadian Pacific. In 1893 a French colony, Montmartre, was placed in tp. 15, r. 11, w. 2, south of Sintaluta. While this township was in 1911 predominantly English, tps. 12, 13, 14, where the colony must have been really placed, were predominantly French. Another settlement (French and Belgian) of that year was St. Hubert, immediately southwest of Whitewood. In 1894, three German colonies were placed north of Wapella, and a Roman Catholic settlement was established about 25 miles north by west of Qu'Appelle and southeast of the present Cupar.

Another colony was Rolandrie (German and Swiss), south of Whitewood, but this last seems to have comé to nothing. In 1896, a Ukrainian colony was established near Grenfell of which we hear no more and in 1897 a Scandinavian settlement at Percival, the station east of Broadview. The country on the main-line east of Red River hitherto overlooked was receiving some attention in the second half of the decade. A Ukrainian colony was placed around Brokenhead and a Scandinavian settlement; and Oldenburg, a German settlement, in range 11.

Meanwhile the older settled regions of Manitoba, blessed, on the whole, with a more certain moisture and greater freedom from frost were continuing to welcome settlers, especially after the rise in the prices obtained for farm products, which began in 1897. The land which had been bought at boom prices years before and left vacant till something like those prices should return, began to be sold. The reports of the Department of Interior for 1898 and 1899 show a special attempt to sell the vacant lands around Winnipeg.<sup>3</sup> In 1899 one-fifth of the half a million acres there was sold, and in 1900 16 per cent. "mainly to *bona fide* farmers." The older French and Belgian colonies, as, for example, Notre Dame de Lourdes, St. Claude, and St. Leon continued to fill up and prosper and even to be extended for adjoining townships were set apart for the French. While there was not much room, at least west of the Red River, left for new colonies, small settlements were effected. In 1896 a German settlement was established near McGregor on the main line of the Canadian Pacific Railway west of Portage-la-Prairie; another German settlement was placed near Morris. Here also a Scandinavian settlement was established. Some forty miles below Winnipeg on the Red River a Ukrainian colony, Gonor by name, was given quarters, cramped quarters surely, on river lot No. 175.

The country east of the Red River, which, on account of its more marshy nature and its lack of railway transportation had been largely passed over, began now to receive attention. Mackenzie and Mann were gathering up charters and such railways as had been built westward from Port Arthur. Under the charter of the Manitoba and South Eastern Railway they built from Paddington near St. Boniface to Marchand, 45 miles, in 1898, and from Marchand to near Sprague, close to the international line. In

<sup>3</sup> *Ibid.*, 1898, p. 223. 1899, Part II, pp. 124-125.

1900, they built from Sprague through Minnesota to their station Rainy River, 52 miles, and in 1901 reached Fort Frances. At that date a gap of 12 miles from that point was all that remained to be built to give them a line from Port Arthur to Winnipeg. This railway gave connection east and west to the French colonies of Lorette, and La Brocquerie and another colony placed at St. Anne des Chenes—all established in 1892. In the vacant south two large colonies were established from the Canadian Pacific line at Emerson. A German colony, east of Ridgeville, in 1896, and a Ukrainian at Stuartburn, immediately to the east of the Germans.

In the last years of the decade railway construction northward began. Though the lumber traffic was one object in view, fresh areas for settlement mostly in a bushy country favourable at once to stock-raising, and, when cleared, to wheat farming, was brought to the front. The Canadian Pacific line running northward midway between Lakes Winnipeg and Manitoba led (about 1899) to a colony of Ukrainians at Pleasant Home. These people spread out into the southern part of what was the Icelandic reservation which was now thrown open. West of Lake Manitoba, Mackenzie and Mann had secured the charters of early railway companies and secured an amalgamation under the name Canadian Northern. In 1899 this company was extending a line (built in 1896 from Gladstone to North Junction) to Lake Dauphin. This gave a French settlement, St. Rose du Lac, which preceded the railway, its needed transportation and led to a Ukrainian settlement north-west of Dauphin.

In 1899 the migration of the Doukhobors began. Three colonies detained at Yorkton and were placed on Swan River west of the Manitoba border near Thunder Hill (1,404 souls in 13 villages); on the Whitesand and Assiniboine Rivers near Kamsack, around the present Verigin; and north of Spine Lake. These two last colonies numbered 4,478 souls in 34 villages. Near the north branch of the Saskatchewan two other settlements were effected; north of Redberry Lake and west of Blain Lake; and another near the Elbow. These totalled 1,472 souls in 10 villages. The total migration of the year was 7,354 souls. The first group of colonies were greatly assisted by the railway building of the subsequent years and prospered. The Blaine Lake colony was more isolated and success came more slowly. This "peculiar people" are excellent gardeners and cultivated the crafts. The women

used to spin and weave. Thus their settlements were more largely self-contained than those of any other people. They have made good farmers, and individuals who have broken away from the community have made good citizens. Those whose individuality is lost in their communistic system remain a problem to this day.<sup>4</sup>

It must now be evident that there was an intimate relation between railway construction and immigration. It is much more than that the railways opened up new territory providing the transportation necessary. Their construction and organization in any area offered work and good wages to the new settler, and thus the ready money with which to establish himself on his farm. The certainty that work of this kind was procurable must have done much to swell the volume of immigration, especially of the labouring classes. Thus in more senses than one railway construction and immigration went hand in hand.

In southern Alberta the ranching region was now being opened up by railways. Advantageous as this was to the ranchers, it was accompanied by a rush of immigrants to the region and this, following the embargo on Canadian cattle entering the British market (1892), brought the ranching industry to its decline. By 1893 the narrow-gauge line from Dunmore to Lethbridge was leased by the Canadian Pacific Railway Company and re-laid as a standard gauge road. In 1897 it was bought by that company and extended westward into the Kootenay district of British Columbia. The line reached Summit on the Great Divide in 1898. To begin with, this opened up a new market for the ranchers and the farmers in the mining towns of the Pacific province and increased the interests of Alberta in the region beyond the Rockies. Fat cattle, butter, cheese, and flour, were marketed to the west as well as in the east. But this also resulted in ranching areas shrinking before the increasing number of farms. Now that the principles of dry farming were known, settlers, often all too optimistic, homesteaded in the semi-arid areas of the south. A considerable number of farmers from the United States, accustomed to dry farming, settled in the more southerly parts, and the large ranches began to be broken up. Many farmers, however, leased the plains around the farms, and ranched in a small way, so that there were more ranchers and a diminishing ranching area, especially from 1896. The smaller ranches must have been profitable, for from

<sup>4</sup> See, in this series, Vol. VII, Part I.

1898 the area leased for ranches began to increase once more. Table III shows this very plainly.

TABLE III—GRAZING LEASES ON THE NORTH-WEST TERRITORIES, 1891-1901\*

YEAR	ACRES UNDER LEASE	NUMBER OF LESSEES	YEAR	ACRES UNDER LEASE	NUMBER OF LESSEES
1891	2,213,677	139	1897	264,155	420
1892	1,081,209	142	1898	361,697	535
1893	1,579,285	159	1899	554,533	705
1894	1,298,571	156	1900	682,921	804
1895	908,991	176	1901	682,921	942
1896	269,967	268			

\* Quoted from C. M. McInnes, *In the Shadow of the Rockies* (London: 1930), p. 245.

Between 1891 and 1897, the acreage leased declined from 2,213,677 to 264,155, but the leases rose from 139 to 420. By 1901 there were 942 leases, and the acreage leased had risen to 682,921.

The imprudence of immigrants in settling on land which was strictly ranching land led to great distress in years of insufficient moisture. Yet the fertility of the soil made them loath to abandon their farms. The solution of this dilemma was irrigation. Here the Mormons who had come in and settled on the dry lands at Cardston led the way. Individuals followed their example. By 1902 there were "169 canals and ditches in operation comprising a total length of about 469 miles. These canals and ditches [were] capable of irrigating 614,684 acres of land, and the increased value of this land owing to the possibility of irrigation amounts to at least \$1,850,000."<sup>5</sup> These rapid strides were due to the formation of powerful irrigation companies. The pioneer corporation, the Calgary Irrigation Company, tapped the Elbow River, at a point twenty-five miles west of Calgary in 1893, and by 1902 it had 81 miles of main canals and distributing ditches, irrigating an area of 45,000 acres west and southwest of Calgary. The Springbank Irrigation Company distributed the water of Jumping Pound River over 30,000 acres through Springbank district, between the Bow and Elbow, west of Calgary. The Canadian North-West Irrigation Company diverted the waters of St. Mary River to the irrigation of the country south and southeast of Lethbridge, some

<sup>5</sup> Report of Department of the Interior, 1902, p. 7.

125 miles of channels serving about 500,000 acres of the district. A private individual, R. A. Wallace, tapped the Highwood River about three miles above the village of Highwood and irrigated 2,185 acres of his farm. T. W. Robertson similarly developed the land on the opposite side of Highwood River. The New Oxley Ranch Company used the water of the Waterton River to irrigate 1,850 acres of their ranch between the Waterton and the Belly Rivers which unite at Standoff. The crops were hay and oats for their stock. W. R. Hull used the water of the Bow River and of Fish Creek to irrigate 1,300 acres. He grew timothy, brome grass, and vegetables.

If settlement tended to rob southern Alberta of its picturesque and profitable ranching industry it gave back what it took in the form of irrigated agricultural lands, which knew no crop failures. Economically, the gain per acre was much greater than the loss. Yet this was no more than the beginning. While simple and inexpensive schemes of irrigation paid, it remained to be seen whether such low-priced products as fodder and even wheat could give returns adequate to cover the cost of elaborate systems of irrigation.

## 2. *Farmers' Institutions*

The decade, 1891-1900, saw a renewed attempt of the farmers to organize in defence of their interests. The "Patrons of Industry" like the Farmers' Union of the eighties was an importation from the United States. Already flourishing in Ontario, the order was introduced into Manitoba at Portage-la-Prairie in 1891. It advertised itself, however, as the "Canadian Farmers' Alliance". By the end of the year it had so far won adherents as to form a provincial association. "Manitoba for the Manitobans" was its motto. Its aim was said to be "to protect both farmer and employee against the overpowering influences of the financial and commercial classes". At the annual meeting of the association in Brandon, on February 24th, 1892, it was claimed that there were 100 sub-associations. The demands were for a lower customs tariff, for the Hudson Bay Railway, for grain elevators and flour-mills at suitable localities owned and operated by farmers, for provincial banks offering loans to farmers at 5% per annum, and for adequate representation for farmers on the western board fixing the standards for grain. An organ for the movement, the *Patron's Advocate*, was established. An elevator at Boissevain

was acquired. A coöperative store for a mail order business was opened at Portage-la-Prairie under the name of the Patron's Commercial Union. Agricultural implements, binder twine, and like necessities of the farmers, formed the chief items of business. "In 1894 the Commercial Union handled over 500,000 pounds of binder twine at the remarkably low quotation of seven and one-quarter cents a pound on credit".<sup>6</sup> The sub-associations, Patrons' lodges, as they were called, numbered 330 in 1895 with a membership of 5,000. The movement rapidly extended to the North-West Territories.

The main achievement of the Patrons of Industry was that the farmers in the persons of two of its members were given representation on the board fixing the standards for grain. It was claimed that a juster system of grading was the result. The leaders, however, fell out among themselves, and the failure of the order in its attempt to form a political party at the Dominion elections of 1896 brought about its disintegration. None of the candidates in the West were elected. Similar causes led to its downfall in the North-West Territories. The unrest in the West of which the organization of the Patrons of Industry was but one symptom brought some definite results in the form of legislation. Rev. James M. Douglas of Moosomin, who had intimate relations with the Patrons, was elected as an Independent Liberal, for the constituency of East Assiniboia, with the support of the Patrons. In February 1898, Douglas, who was now a farmer, introduced a bill into the House of Commons to secure by law the right of the farmers to load their wheat directly into the cars and from flat warehouses. The occasion of the measure was the organization of the elevator system. Originally farmers had been able to load their wheat into the railway cars directly from their wagons. Also cheap flat warehouses were built at the sidings for storage purposes by groups of farmers and others. This system not only kept the cost of shipping at its lowest, but enabled many buyers at a given point to have their interest in the grain trade. The farmer could make his own connections with Winnipeg firms, or he might sell to the highest bidder at his railway station. The competition involved in the system enabled him to dispose of his wheat at an advantage. From the point of view of the railway, and, we may add, of subsequent experience, this method was wasteful of time, primitive, and already antiquated. Cars were

<sup>6</sup> L. A. Wood, *History of Farmers' Movements in Canada* (Toronto: 1924), p. 126.

loaded slowly and often lay unused for a needlessly long time. The highly organized elevator built to store 25,000 bushels of grain and loading cars by pouring the wheat in by gravitation, easily and swiftly, was the institution of the future, for it enabled the railway to obtain the maximum of service from its cars. The few elevators of the seventies had now increased to number 447. Of these, 207 were owned by three elevator companies, 95 by two milling concerns, 120 by individual millers, and only 26 by farmers' companies. An explanation of the small number owned by groups of farmers lies in the fact that their owners were not buyers but only storers of grain and that the storage scarcely paid the costs. The other elevators paid because of the additional profits gained by buying from the farmers. Real trouble began in the autumn of 1897 when the Canadian Pacific Railway announced that it would allow grain to be loaded on its cars in no other manner than from an elevator. As the elevator concerns centred at Winnipeg were able to agree on the price to be paid for wheat on a given day, and telegraphed these prices to the elevator operators, something in the nature of a monopoly was conferred upon them by the decision of the railway. Then too, they were suspected of mixing grades, i.e., raising say No. 2 to No. 1, by adding sufficient of the latter to make the higher grade. As the weighing was done out of sight, they lay under the suspicion of falsifying the weight. Douglas' measure was devised to maintain the former rights of the farmers in the matter of loading, but it failed to pass through the House. The issue, however, remained: Had the railways the power to take away from the farmers the rights which they had hitherto enjoyed. In 1899 Douglas introduced a similar but more comprehensive measure, involving inspection of the storage and shipment of grain by officers appointed by the Government. Though this also failed, it led to the Royal Grain Commission of enquiry of 1899 and this in turn to the Dominion Act, the so-called Manitoba Grain Act, 1900, which applied, of course, also to the North-West Territories. The Act provided for the supervision of the grain trade west of Fort William by a commissioner stationed at Winnipeg. Weighmasters were to be stationed at the chief receiving points. The settler could have access to the scales at the point of sale. The railway was to provide necessary loading platforms for the farmers to load directly into the cars and to permit flat warehouses of a minimum capacity of 3,000 bushels at the sidings. Although time has justified the elevators as against



direct loading and storage in flat warehouses, the inspection of the grain trade by the Government, inaugurated by this Act, laid the basis of a system of protection for the farmers which is with them to this day.<sup>7</sup>

<sup>7</sup> See W. A. Mackintosh, *Agricultural Coöperation in Western Canada* (Toronto 1924).

## CHAPTER VI

### A DECADE OF GREAT EXPANSION, 1901-1910\*

#### *1. Expansion and Consolidation*

THE decade, 1901-1910, stands in sharp contrast with the previous ten years. The problems of farming in a semi-arid region were partially solved. The farmers who had come in, partly as real-estate speculators hoping to sell their improved homesteads at a high price, were either weeded out by the disastrous years or forced to concentrate their attention on good methods of agriculture. The precipitation of these ten years proved less variable, and prices of wheat were good. The future of the country seemed assured. Immigrants were pouring in. Accordingly, railways were being built on an extensive scale. By assuring the incomer without capital the means of finding the money with which to establish himself on his homestead, this construction increased the volume of the migration. It was a decade of great progress and prosperity.

The extent to which new methods of farming contributed to this result may be gauged by the settlement of the region south of and around Saskatoon. Though it had enjoyed transportation facilities after the construction of the Regina-Prince Albert railway in 1890, for more than ten years it had been passed by as incapable of cultivation. It had even been condemned by agricultural experts from Ottawa as impossible country. In 1902 settlement extended to about thirty miles north of Regina. In the some sixty-five miles beyond there were but 3 homesteaders, and there were no railway stations on the line. To the north of this desolate belt and around Saskatoon was a ranching country. Senator E. J. Meilicke of Minnesota, interested in real estate and acquainted with the methods of dry farming visited the ranching region about Dundurn in that year, examined the soil and, with full knowledge of the average precipitation, declared it good for wheat farming.<sup>1</sup>

\* It is difficult to illustrate, with maps, this chapter in the detail it demands. Figure 1 will enable the reader to locate the main places and districts referred to. Figures 8-11 show the spread of population. See also map of the "Origins of the Population, 1911" in *Atlas of Canada* (Ottawa: Department of Interior 1915), pps. 25-26.

<sup>1</sup> *Narratives of Saskatoon, 1882-1912* (Saskatoon: 1912), p. 54

He bought 40,000 acres, and took great care to sell only to experienced dry farmers. In September he brought in two special coach loads of farmers from Minnesota and the Dakotas, all experienced in dry farming. Many followed next year. The Meilicke firm has said that of all the men whom they placed on their land only two failed to make good.

Hard on Meilicke's heels in 1902 came the Saskatchewan Valley Land Company. The Liberal Government was now in power, and Clifford Sifton was Minister of the Interior, in charge, at one and the same time, of the Government's land and its immigration policy. Sifton put a world of intelligence and push into his policies. He made an agreement with the syndicate, at whose head was Mr. Davidson of Duluth, that when it should have placed 20 settlers on free-homestead land, even-numbered sections in a township, and 12 settlers on land bought from the Government, it could buy the remaining even-numbered sections in a township at \$1 per acre. The syndicate could buy up 250,000 acres, and it contracted to buy 450,000 acres from the railway company. It began with an intensive advertising campaign in the western States. Its advertisement in St. Paul, it is said, was in the following strain. "Buy farm lands in Saskatchewan. You can leave home after Easter, sow your grain and take in the harvest and come home with your pockets full of money in time for Thanksgiving dinner." By promising preliminary breaking of the sod on each farm, the syndicate was able to bring in a very large body of settlers, from the western States, all more or less experienced in dry farming and provided with capital.

Mr. Sifton, speaking just four years after the making of the contract said that in the previous year, going over this area he had visited one farm with a yield of 120,000 bushels of wheat, three yields of 40,000 bushels and another with 30,000. He added: "In going through this tract a year ago this month I saw on that land which in the Spring of 1902 was an absolute desert without anybody on it, without means of subsistence for man or beast, I saw on that tract last year villages, elevators, stores, hotels and the largest wheat field I ever saw in my life. This is the result of the operations of this company."<sup>2</sup>

Similar results were being achieved on the line between Estevan and Moose Jaw, hitherto shunned by immigrants as impossible country. Indeed these results were being achieved without the grant of special privilege to any company. Immigrants poured into the desolate land and by using the methods of dry farming transformed it into a fine wheat country.

<sup>2</sup> J. W. Dake, *Clifford Sifton in Relation to His Times* (Toronto 1931), p. 308.

Of a very different character was the migration which passes under the name of the Barr colony. Intended at first by the Rev. I. M. Barr as a scheme to place a few of his soldier-parishioners returned from the South African War on land in Canada, through the preachings of the Rev. George Exton Lloyd it became a migration of Anglicans to form an Anglican colony on the prairies. As such it was beyond the competence of a mere parish clergyman like Mr. Barr. In spite of much disorganization and not without loss of numbers by the way, the dogged Englishmen with their wives and children trekked from Saskatoon, the point of debarkation, past Battleford to Lloydminster. In a land blessed with an average of 10 inches of summer moisture, these Englishmen ultimately prospered as wheat farmers and stock-raisers. Their spectacular migration had wide repercussions. It put Saskatoon on the immigration map and settlers poured into its surroundings. The reflection of the movement is seen in the history of Saskatoon as a distributing centre. In the ranching region of the nineties it was not even a village. In the year 1902 it was organized as a village. In 1903 it was incorporated as a town. In 1906 it secured its charter as a city. By drawing the transcontinental railways to it, it became the distributing centre for a large area in the north of Saskatchewan.

The construction of railways likewise contributed greatly to the development of the years 1901 to 1910, more especially in the north for it afforded work and the means by which needy homesteaders could establish themselves. The Canadian Northern completed its line from Port Arthur on Lake Superior to Winnipeg in 1902. The year before, it had acquired the Northern Pacific and Manitoba Railway to Portage-la-Prairie whence it had already, as we have seen, its line to Gladstone, Dauphin, and Grandview in the country between the Riding Mountains and Lakes Manitoba and Winnipegosis. By 1904 it had branched eastward to this last lake at its station named Winnipegosis. At the same time it advanced northward to Ross Junction, west of Kamsack, and to Hudson Bay Junction, both in the District of Saskatchewan. It then reached out from these in two directions westward. In 1904 the line was extended west from Ross Junction 214 miles to Ceepee at the Elbow of the North Branch of the Saskatchewan River, and in 1905 314 miles farther through Lloydminster, the seat of the Barr colony, to Edmonton, and thence in 1906 to St. Albert and Morinville. At St. Albert construction westward to the Pacific

was stayed for the time. This line acted as a crossline to the Regina-Prince Albert railway and the Calgary-Edmonton railway connecting colonies already in existence with the chief distributing centres—for example, the Ukrainians at Fish Creek with Saskatoon, and the colonies east and north of Edmonton with that city. More important still it gave direct access for their produce, including that of the Doukhobors at Verigin and Buchanan, to the Winnipeg and Port Arthur centres. Moreover, it brought a large body of settlers into a country hitherto unoccupied. The settlements south of Kamsack were largely English-speaking; around Kuroki and southwest of Buchanan, Ukrainian; around the Quill Lakes, Scandinavian; from Watson to Dana, German; north of Vonda to the Fish Creek colony, Ukrainian. The long stretch of 8 townships from the North Saskatchewan to Radisson was chiefly German. Thence all around Battleford through a stretch of some 27 townships English-speaking settlers predominated. From Innisfree the line ran through 11 townships predominantly Ukrainian. West of Lamont it crossed a block of 3 German townships, including Bruderheim settled of old, and entered the Edmonton area which was predominantly English-speaking.

In 1904 the Canadian Northern was building eastward from Prince Albert, to meet its line at Hudson Bay Junction. The line was completed by 1906. It gave accommodation to 4 English-speaking townships, settled of old, south of Prince Albert. The settlers who came in east of these on both sides of the line to Kinistino were predominantly Canadian. Through a stretch of some 35 townships the incoming settlers—at Melfort, Tisdale, etc.—were predominantly English-speaking, until the Ukrainian block stretching northward from Dauphin was reached. The Canadian Northern now began its line from Saskatoon through the Goose Lake district to Drumheller and Calgary. By 1910 it had reached Zalandia. The population thus far was wholly English-speaking. In 1906 the Canadian Northern acquired the Regina-Prince Albert line, hitherto leased by the Canadian Pacific Company. As this cut the latter company off from Saskatoon, it hastened the construction of its line westward from Yorkton, reaching Saskatoon in 1907. This gave railway accommodation to the older English-speaking settlement at Theodore and helped to fill up and expand the Ukrainian settlement around Sheho, created German settlements about Lanigan, and filled up the country east of Saskatoon with English-speaking settlers.

The arrival of this Canadian Pacific line in Saskatoon may be looked at in another light. In 1902 the company began a branch line leaving the main transcontinental at Kirkella, Man., running northwestward to cross the Qu'Appelle valley at Tantallon, and giving transportation to the Hungarian settlements at Esterhazy and Kaposvar, the Swedish settlement of Stockholm, and the German colony of Neudorf. West of this it opened up new country as far as Lipton, Strasburg east of Long Lake (Last Mountain Lake), and Lanigan on the Yorkton-Saskatoon line. Settlers poured in and very soon all the homesteads along the line were taken up. Four townships at Lemberg became predominantly Ukrainian. Germans settled south of Cupar and Ukrainians around Southey, but the rest of the territory became predominantly English-speaking.

Meanwhile, the Canadian Government under Sir Wilfrid Laurier, had arranged for a second transcontinental. The Grand Trunk Railway offered to build through from Chicago to Minneapolis and the Red River and thence through Canadian territory to the Pacific. The Government insisted on its being an all-Canadian transcontinental and actually built a Government road, from Quebec to Winnipeg, with connection with Port Arthur from Long Lac. This was through an unproductive country which could not but involve an annual loss for operating expenses. The Grand Trunk was to build a western section from Winnipeg to be their own property and was to operate the Government's eastern section. Our only interest in this scheme is that it threw, as did the Canadian Pacific, the cost of maintaining and operating 1,200 miles of unprofitable road upon the returns from the productive prairie region. As it proved the scheme was unsound, and the Grand Trunk Railway company was brought to bankruptcy and its lines had to be taken over by the Government. The western section was begun at Portage-la-Prairie in 1905. The line was built eastward to Winnipeg and westward to cross the Assiniboine, north of Fort Ellice and the confluence with the Qu'Appelle River, and to pass through Melville and Watrous. In 1904 it was being located to cross the South Saskatchewan near Hanley, some 40 miles south of Saskatoon, which would have given it a territory all its own west of the river, but the pressure of the citizens of Saskatoon brought it north so that their city became that much more of a railway centre. From Melville to Kelliher, German and Ukrainian

colonies were established, but the major part of the settlers along this line were English-speaking.

The result of the diversion of the Grand Trunk Pacific to Saskatoon was that it was built through territory that was strictly that of the Canadian Pacific. This latter line built eastward from Westaskiwin to Daysland and Hardisty in 1904 and 1905. Going westward from Saskatoon it was built to Wilkie in 1908, and was being completed to Hardisty in 1909. In these last two years the Grand Trunk Pacific was building at points between Saskatoon and Biggar and Unity, 221 miles side by side with the Canadian Pacific and never more than six miles away. Except for a large body of Germans and Ukrainians to the south, from Reford to Macklin, the settlers thus far were English-speaking. From Unity to Ituna the Grand Trunk Pacific, completed to Edmonton in 1909, was settled with English-speaking peoples, but west of that Scandinavians and Ukrainians came in to extend the settlements east of Edmonton outwards. The Canadian Pacific brought in a much more heterogeneous population and finally reached the New Canadian settlements east of Wetaskiwin.

Meanwhile the space between the main line and the Portal-Pasqua line of the Canadian Pacific was being supplied with railways. The Canadian Northern built from Portage-la-Prairie, through Brandon by Kipling and Montmartre to Regina (1907). The population along this line in 1911 was predominantly English, save for a new Hungarian settlement, Kebevar, at Kipling and for the French colony near Montmartre and the German settlements southeast of Regina. Through this somewhat restricted area the Canadian Pacific Company ran two lines, one from Reston on the Pipestone Branch, west of Souris, westward and northward to its main line at Wolseley, its population being wholly English-speaking save where it passed through the Hungarian colony at Kipling. The other was an extension of the Pipestone branch from Manor through Carlyle and Arcola to Regina, its population being likewise predominantly English-speaking up to the German settlements southeast of Regina. Other lines need no more than mention—a Canadian Northern line between the Canadian Pacific line (the Manitoba and North Western that was) and the Riding Mountains as far as Calder, with a heterogeneous population, chiefly Scandinavian and Ukrainian; a Canadian Northern line acquired from the Northern Pacific Railway Co., through the Government of Manitoba, and running from Gretna at the border to Portage-la-

Prairie; and another line, similarly acquired, reaching Brandon from the border through Boissevain; a fourth Canadian Northern line from Emerson running through the Ukrainian colonies about Stuartburn to connect with the main Port Arthur line west of Sprague. In Alberta the Canadian Pacific built from Stirling to Cardston, and ran a line eastward from Lacombe to Stettler, whose ultimate objective was Moose Jaw.

Truly this was a decade of railway building. The mass of money brought in from without to the Northwest and lavished on construction must be borne in mind as a contributor to the prosperity of the times. Beside the growing foreign market, the settlers found an outlet for their produce and their labour in the construction going on in many parts of the country. The amount of further capital brought in by the immigrants was enormous.

The prosperity of the decade was also partly due to a gradual rise in the prices of wheat notably in the later five years. The average price of No. 1 Northern wheat at Winnipeg rose from 75 cents in 1901 to 92 cents in 1904, only to fall back to 76 cents in 1906. By 1909, however, it had risen to \$1.09 and it remained above \$1 in 1910. The average price, 1901-1910, was 13 cents a bushel higher than that for 1891-1900, and that for 1906-1910 was 19 cents higher.

At the same time the heavens were propitious and the annual rainfall was notably greater than in the previous ten years. At Indian Head, 1901-1909, it ranged from 10.7 inches to 20.2 inches and in no single year was it as low as in 1892, 1893, 1894, 1896, or 1899. Then too the practice of summer-fallowing was becoming more and more general. In 1905 the crop of 352,365 acres was in summer-fallowed fields. In 1906, the acreage was 425,486. In 1911, it was 1,824,443.

What with the kindness of nature, the adaptation of farming methods to the necessities of a semi-arid area, including the development of stock-raising, of cheese-factories, creameries, and hog-raising, and finally the enhanced prices obtained for wheat, farming was paying as never before. These factors added to the more temporary influence of the years of hectic railway building, made the decade 1901-1910 one of rapid growth. Prosperity brought a great tide of immigration. It has been the practice to attribute the volume of immigration and the success of the settlers in these years to the genius of Clifford Sifton in re-organizing the machinery of the immigration office and the Department of the Interior and



to the policy of Sir Wilfrid Laurier's government which came into power in 1896. There is no reason to minimize these. New men and new measures brought fresh results. High-pressure salesmanship, however, achieves its great successes when it has something of real value to sell. The agent may be excused for thinking that it is his ability as a salesman that brings the results. In any case politicians ascribe creative powers to departmental regulations and acts of parliament. At bottom, however, great migrations are brought about by economic factors, and these were the decisive influences in the settlement of the Northwest in the first years of

TABLE IV—GAINS IN POPULATION, 1901-1911\*

PROVINCE	1901	1911	GAIN (per cent)
Manitoba...	255,211	455,614	170
Saskatchewan.	91,279	492,432	530
Alberta . . . . .	73,022	374,663	500

\* *Census of Canada, 1911* (Ottawa: Dominion Bureau of Statistics).

the twentieth century. Some credit can be given to the Government for the increase in the immigration due to their generous, not to say extravagant, railway building and subsidizing of any and every railway, but the Liberal Government made the same mistake as the Conservative administration in the seventies. They turned down the first proposal of the Grand Trunk Railway Company to make connections at no cost to Canada between east and west by having the connecting line run through the United States by way of Chicago. They saddled the new transcontinental with an unproductive line some 1,200 miles long from Quebec to Winnipeg and they allowed the Canadian Northern Railway Company to build a third transcontinental line through the desolate country north of the Great Lakes. The result has been not only that the Dominion now labours under an intolerable burden of railways but, and this is the important matter from our point of view, the freightage to and from the Northwest has to bear much of the cost of maintaining thousands of miles of unproductive railway lines. The Northwest is proportionately handicapped in putting its produce on the distant markets of the world.

The Census of 1911 reveals the magnitude of the migration of the

decade. Making due allowance for the areas erected into the provinces of Saskatchewan and Alberta in 1905 the increase over 1901 may be estimated from Table IV.

Manifestly 1901-1916 was the day of semi-arid areas, for Saskatchewan and Alberta.

The growth of the nationalities in which we are most interested may be gauged by the following tables.

TABLE V—GAINS IN POPULATION ACCORDING TO RACIAL ORIGIN, 1901-1911\*

	1901	1911	GAIN (per cent)
<b>MANITOBA</b>			
British (really English-speaking)	164,239	266,415	160
French and Belgian	16,961	30,944	130
German	27,261	34,530	150
Austro-Hungarian (including Galicians)	8,981	39,665	430
Russian (including Ukrainians)	4,976	8,841	170
Scandinavian	11,924	16,419	130
<b>SASKATCHEWAN</b>			
British	40,094	251,010	620
French-Belgian	2,790	24,789	960
German	11,743	68,628	570
Austro-Hungarian (including Galicians and Bukowinians)	4,753	41,651	870
Russian (including Ukrainians)	11,675	18,413	150
Scandinavian	1,452	33,991	2,340
<b>ALBERTA</b>			
British	34,903	192,698	550
French and Belgian	4,665	21,094	450
German	7,836	36,862	470
Austro-Hungarian (including Galicians and Bukowinians)	1,654	26,427	1,530
Russian (including Ukrainians)	5,376	9,421	170
Scandinavian	3,940	28,047	780

\* Census of Canada, 1911

The census does not give us any insight into the number of the immigrants from the United States and it does not indicate the number of New Canadians who were not raw material from their native soil, but came from the United States, already to some extent moulded to the American environment. In general, the

Ukrainians and Hungarians came in directly from their home lands. Large numbers of Germans and Scandinavians came in from the United States. In 1901, 919 Scandinavians out of a total of 1,491 souls came from the United States, and 435 Germans out of 2,251. Many of these were citizens of the Republic. A rough idea of the contribution of the United States to the agricultural development of the decade may be gathered, so far as numbers go, by the homestead entries (Table VI).

TABLE VI.—HOMESTEAD ENTRIES, 1901-1910\*

NATIONALITY	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	TOTAL
Canadians.....	1,351	5,080	6,436	11,661	5,756	10,873	5,855	7,397	9,929	11,470	76,758
Canadians (returned from U. S.).....	165	401	899	703	525	483	493	510	693	753	5,625
Americans.....	2,026	4,761	10,942	12,485	7,730	8,532	6,059	7,818	9,829	12,813	82,995
British (including Irish)....	940	1,580	3,876	8,097	4,664	5,930	4,091	6,205	7,605	7,331	50,319
French and Belgians....	60	92	73	476	227	434	230	434	654	520	3,200
Germans.....	255	385	754	1,024	768	812	352	574	650	688	6,262
Austro-Hungarians (including Galicians).....	1,056	1,321	2,793	2,193	2,228	1,931	1,172	2,472	3,342	2,361	21,869
Scandinavians (Swedes, Danes, Norwegians, included).....	243	433	809	1,299	799	978	647	1,060	1,599	1,938	9,785
Russians (other than Mennonites and Doukhobors)...	105	184	337	534	238	378	363	722	947	1,061	4,864
Mennonites.....	83	92	83	143	59	99	6	5	.....	6	576
Doukhobors.....	.....	116	2,013	7	434	207	36	36	4	3	2,856
Total of these and all other Nationalities.....	8,167	14,633	31,383	41,869	26,073	30,819	21,647	30,424	39,081	41,568	285,664
Representing (souls).....	.....	89,907	105,420	68,381	77,550	52,524	73,078	93,852	101,286	.....	.....

\* From *Reports of Department of Interior, 1902-1911* (Ottawa King's Printer).

Americans entered homesteads to the number of 82,995, Canadians to the total number of 82,383. The United States contribution in numbers was about equal to that of Canada itself. To this must be added the fact that a large number of United States settlers had sold their farms in the United States and came in with an ample equipment of machinery and with considerable capital. More important still, they came experienced in dry farming and were able to succeed in semi-arid regions such as the Regina-Prince Albert, Calgary-Edmonton and Estevan-Moose Jaw railway districts.

## 2. Farmers' Institutions and the Grain Trade

The decade saw a rapid development of the grain trade and with it the development of organizations not only of the buyers but of

the producers. In 1900 an organization to supervise the trade without participating in buying or selling had been formed in Winnipeg. It was the servant of the trade, collecting information concerning world prices and transportation opportunities, and offering a clearing house for the trade, and rules and regulations for trading. This is the Winnipeg Grain Exchange. After the passing of the Manitoba Grain Act in 1900, the buyers organized the Manitoba and the North-West Grain Dealers' Association in the shadow of the Exchange. In 1901 there began a succession of crises for the producers which led them in turn to organize in self-defence. Abundant moisture, better methods of farming, and increased immigration, brought about a harvest so great that the railways could not handle it. Hence what was called the "wheat blockade". It was most severely felt on the Regina plain, particularly about Indian Head. ~~The farmers saw themselves within reach of affluence if only they could get their wheat to the Great Lakes at Fort William before shipping ceased in the late autumn,~~ but transportation could not be obtained. That winter the elevators were stored to capacity; all sorts of storage were found in warehouses and old buildings; granaries were hastily built in the fields, and the wheat was stacked in bags on the ground. In the Grenfell district there were 55,000 bushels in the elevators, and 250,000 were "stored up for the most part in bottomless bins and granaries with straw roofs." At Moosomin, 400,000 bushels had been marketed, but there were "170,000 bushels in the elevators, and about 400,000 yet to market, probably 25,000 of it in bags around the town." At Indian Head, 800,000 bushels had been shipped, but there were 300,000 bushels in the elevators, and about 100,000 bushels stored in 120 private granaries around the town. "About 1,000,000 are yet to be marketed, probably half of which is now in bins and granaries that are safe." In the Regina district in a radius of 20 miles about 800,000 bushels had been shipped, 400,000 bushels were stored in the elevators, 35,000 in private granaries and storehouses. "About 800,000 yet remain in the Farmers' hands, about half of which is well stored."<sup>3</sup> Similar tales of congestion are reported at Sintaluta and Summerberry.

In November, as it became evident that a large part of the harvest could not be shipped that autumn, John A. Millar, secretary of the Indian Head Farmers' Society, called an indignation meeting. At the instance of W. R. Motherwell and Peter Dayman of Aber-

<sup>3</sup> The above figures are gathered from the files of *The Leader* (Regina).

nethy a second was held on December 18th at Indian Head, and a committee was appointed to draft a constitution for some sort of farmers' association. The Department of Agriculture of the Territories fostered the movement. At a meeting, on January 2nd, 1902, the constitution was adopted, and the formation of branches began. On Feb. 12th the full-fledged Territorial Grain Growers' Association held its first convention with 12 local branches already formed. The crisis on the plains was brought up in Parliament, once more by Mr. J. M. Douglas. In view of the favouritism shown by the Canadian Pacific towards the elevators the Manitoba Grain Act was amended and station agents were required to keep a book in which applicants for cars for grain made their entries under date. The cars were required to be allotted to the applicants in turn.

Meanwhile the Grain Growers' Association was able to bring great pressure upon the Canadian Pacific Railway Company, which in fact was as surprised at the blockade as anyone, and secured access to the elevators at Duluth by its Soo line. Reluctantly, cars under orders to bring in immigrants and return empty were commandeered to carry out grain on their return, to the millers at Minneapolis. The success of the pressure of the organization taught the farmers a valuable lesson in the power to be achieved by unity and organization. This was renewed when the local branch at Sintaluta entered a successful action against the Canadian Pacific Railway for breach of the clause of the amended Manitoba Grain Act requiring an impartial distribution of cars to applicants in turn. At the end of that year the farmers of Manitoba organized their own Grain Growers' Association. It was not till 1908 that two rival organizations in Alberta, now a province, united under the title of the United Farmers of Alberta. The Grain Growers' Associations were drafted on provincial lines. An interprovincial council was established in February 1907 to care for the wider interests of the provincial associations, and, in 1909, the Canadian Council of Agriculture was formed.

The Grain Growers' Associations remained organizations for education and agitation, but members organized commercial companies to enter the grain trade. The Grain Growers' Grain Company (1906), the Saskatchewan Coöperative Elevator Company (1911), and The Alberta Farmers' Coöperative Elevator Company (1913) became dominant institutions in the grain trade.

They achieved financial stability and were pioneers in the improvement of the seller's position in the trade.<sup>4</sup>

These great and constructive achievements were the result of the wise decision to eschew politics and confine the aggressive to the domain of business and economics. The result was not simply enhanced profits to the grain growers. Equally and possibly even greater were the results in the domain of the imponderables. A movement, which threatened at one time to lead to a wild revolt, was guided into the peaceful ways of constitutional reform. It also became a training ground for statesmen like Motherwell, Dunning, and Crerar, worthy of voicing the sentiments of the West in provincial and Dominion governments, and able to bring East and West more nearly to mutual understanding.

*3. The Administration of the North-West Territories.  
and the Prairie Provinces in Reference to Agriculture*

Till 1905 the spacious country west of the province of Manitoba was a unit known as the North-West Territories (see Figs. 4, 5 Part II), governed at first by a Lieutenant-Governor and a council nominated by the Dominion Government. The North-West Territories Act, of 1875, entrusted to these the administration of "all matters of a merely local or private nature", including taxation for local and municipal purposes, property and civil rights in the Territories, administration of justice, public health, and roads, highways, and bridges. The proceeds of the lands which in all the eastern provinces had for now more than a century gone to the support of the local administrations, were kept by the Dominion Government for Dominion purposes and, in lieu, a grant from the Dominion treasury went to the support of the Territorial administration. At first the Territorial revenue whether coming from local taxation or from the Dominion Treasury was so meagre that, after roads and schools were provided for, little was left for the promotion of agriculture. The council confined itself to passing laws which were absolutely necessary and which could be enforced at comparatively slight cost such as ordinances respecting fences (No. 10 of 1878), stallions (No. 13, 1878), the prevention of prairie and forest fires (No. 4, 1879), trespassing and stray animals (No. 6, 1881), and respecting bulls (No. 13, 1881). An ordinance (No. 8, 1887) respecting agricultural societies arranged for the formation of such societies and for a grant from the general revenue fund of

<sup>4</sup> See, in this series, Vol. IV, Chap. IV

the Territories "not exceeding the amount subscribed by the said Society". Under this ordinance local agricultural fairs began to be held.

Clause 10 of the Territorial Act of 1875 admitted the principle that, as districts were settled, the people could elect members to the Council. By 1888, settlement had so far progressed that an Act of Dominion Parliament was passed installing an Assembly in which the Lieutenant-Governor would no longer sit as chairman and in which all the voting members were representatives of the people. Thereafter the country was ruled by a Lieutenant-Governor receiving instructions from the Dominion Government and an Assembly receiving its mandate from the people. The resulting struggle for responsible government is beyond the range of this sketch. It must, however, be noted that so long as the grants from the Dominion treasury were meagre, and were itemized so that the Assembly could not use the money otherwise than as voted by the Dominion Parliament, no large schemes for the development of the agriculture of the Territories could be entertained, all the more as the territorial revenues could scarcely cope with the task of opening the roads and schools imperatively necessary to the incoming settlers. It was not till 1896 that the Dominion grant was given in a lump sum, and the people's representatives were free to exercise all the powers of a Provincial Assembly in spending it. Up to this point things remained as before. The ordinance to provide for the incorporation of butter and cheese manufacturing associations (No. 13, 1889) did no more than provide a legal status for the associations. The financing of the creameries lay with the Dominion Government.

The agricultural societies were local organizations whose meetings issued in discussions of the methods employed in their farming by the farmers of the region. Apart from this, the main interest was in the local fair or exhibition. By 1890 there was an increased desire for education in agriculture and an ordinance (No. 8, 1890) provided for the formation of Farmer's Institutes. The ordinance was repealed in 1894 (No. 20), for there was scarcely room for the Institutes along with the agricultural societies. The demand for enlightenment on methods of farming was met by empowering the agricultural societies to hold "meetings for the discussion of and hearing lectures on subjects connected with the theory and practice of improved husbandry or other industrial purposes" (No. 27, 1894). These meetings were still called Institutes, and

experts mostly from the experimental farms were called in to take the lead.

In 1891 an ordinance (No. 15) legalized the formation of the Dairymen's Association of the North-West Territories. In the following years, ordinances (No. 36, 1892 and No. 9, 1893) were passed to prevent the spread of noxious weeds. In 1896 an ordinance (No. 31) incorporated the Western Stock Growers' Association. It will be readily seen that the Territorial Assembly and Government were deeply interested in the agricultural development of the country, but the restricted means at their disposal confined their activities to passing ordinances, calculated to stimulate the settlers to organize themselves. With the greater freedom which came when the Territorial Government got complete control of the Dominion grant came more definite organization to educate the settlers. An ordinance (No. 18 of 1877) created a Department of Agriculture "to institute inquiries and collect facts and statistics relating to agricultural, manufacturing or other interests of the Territories, and to adopt measures for circulating and disseminating the same. . . . and to see to the observance and execution of the provisions contained in all ordinances relating to agriculture, statistics and public health" (section 5). In 1903 the Territorial Government offered to pay two-thirds of the prizes offered at the local fairs (No. 17 of 1903), and assumed the cost of the lecturers and halls in connection with the Institutes. Encouragement was given to experimentation in field husbandry by a grant of \$5 for each experiment. The reports of the Territorial Department of Agriculture show a sense of responsibility for training a heterogeneous mass of settlers in the fine art of agriculture in the West, but the means of doing so continued far short of the desire.

The encouragement given by the Territorial Government to the farmers as they organized themselves in the Grain Growers' Association has been referred to already. In keeping with this general policy was the Mutual Hail Insurance ordinance (No. 20, 1900) which provided for the incorporation of groups of farmers mutually insuring themselves against loss by hail. This not proving satisfactory, the Territorial Government by an ordinance of 1901 (c. 9) took the whole responsibility of hail insurance into its own hand. All other parties were forbidden to undertake such insurance. Contracts were made between the Government and individual farmers from January, 1902, onward. The administration of the ordinance lay in the hands of the Treasury Department.

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ment. The schemes became self-supporting. As we shall see, hail insurance was later placed on a coöperative basis.

The Government made great efforts to prevent the local fairs from degenerating into race-meetings and general holidays. The Institutes were provided with the best lecturers available and the attempt was made to hold them every year in all the more closely-settled districts. In connection with these meetings stock-judging schools were developed in 1903. The lecturers went out on to the street, demonstrated the commercial value of live animals assembled for the purpose, and trained the farmers in the selection of breeds for the market. These schools did much to increase the educational value of the Institutes and made them popular. In 1904, with the cooperation of the Canadian Pacific Railway Company, cheap excursions were organized to bring the settlers to the Indian Head Experimental Farm, where Angus McKay showed the methods of cultivation being used.

To improve animal husbandry the Territorial Government, again with the help of the Canadian Pacific Railway Company, brought pure-bred animals into the country from the east, at a nominal cost to the farmer for transportation. Auctions were held, but individual farmers who could not easily attend were allowed to place their orders with the Department of Agriculture. The charges for the transportation and delivery of a bull were \$5, though often it cost the Government from \$15 to \$18. In four years, 1900-1903, 225 bulls were thus brought into the country, at a cost of \$450.60. The charge for a pure-bred ram was \$2. The railways gave free transportation in 1901 for pure-bred boars and sows due to farrow shortly after arrival. In 1904 the number of pure-bred swine in the country was great enough to enable the Government to arrange sales of native-bred animals. Many of the immigrants had never been on a farm; many had come with antiquated traditions of farming; too many were content with any sort of livestock at all. It will be seen that the Territorial Government passed on to the Provincial Government, its successor, the tradition that it was a prime duty of the local administration to train an untutored people in methods of field and animal husbandry, so as to enable them to secure produce of high standards for the world market.

The reports of the Territorial Department of Agriculture show that they were at the same time interested in the local industries, such as creameries, cheese-factories, meat-packing plants, and the

sugar-beet industry at Raymond, Alberta, as providing the farmer with a market at his very door. In 1905 the provinces of Saskatchewan and Alberta were formed out of the North-West Territories, which thus shrank to be the territory north of the 60th degree of north latitude. The road allowances along the 4th meridian became the boundary between the two provinces. Thus the western sections of the district of Assiniboia and Saskatchewan were thrown into the province of Alberta.

The Departments of Agriculture in the two provinces carried on the traditions of the Territorial Department of Agriculture. The similarity of the problems of the two provinces issued in a general uniformity of policy, while the differences brought out some interesting divergencies. Both provinces took over the financial relations of the Dominion towards the creameries. The several Departments of Agriculture found money to continue the government creameries and to establish new ones. "Cooperative creameries" they were called, not very aptly for as soon as the creamery company repaid the money secured from the Government and lifted the Government mortgage, the Government ceased to run the creamery and market the products, and it became a private enterprise, no more than subject to inspection by the Department of Agriculture. In Saskatchewan the creameries continued in the hands of the Government until they could be given over to one great cooperative organization. Through their operation of creameries both provinces were able to call the attention of the farmers to the possibilities of the poultry industry. Standards were fixed for poultry in accordance with the requirements of the market. Chickens were bought at the creameries at a given rate, fattened on the skimmed milk, and sold. The profits, after costs were paid, were returned to the farmers who thus learned what their poultry might bring them in cash and were trained in an industry supplemental to their grain growing. In three years, by 1909, the Saskatchewan fattening stations were being provided with so many birds that it was possible to introduce a system of grading putting a premium on pure-bred chickens of the Plymouth Rock, Wyandotte, and Orpington strains. Thus began what is now one of the four greatest agricultural industries of the province.

The difference between the two provinces was made manifest at the beginning. Of 16 creameries which had been in operation at one time and another in the ten years, 1896-1905, under Dominion

supervision, only 4 survived to be passed over to the provincial government of Saskatchewan, while twelve were in operation in Alberta, and 6 more were added in the first year. This was partly due to the suitable conditions of Alberta, but partly to the fact that the Alberta creameries envisaged convenient markets to the west. In 1906 the Alberta output from government and privately-owned creameries was 1,050,000 lbs. of butter, "largely marketed in British Columbia, Yukon and the Orient." The total manufacture of Saskatchewan in 1910 was 102,094 lbs. of butter from 18 creameries. In Alberta it was 2,315,000 lbs. from 60 creameries. Then, too, Alberta had the coal industry which afforded a domestic market of much larger dimensions than that of Saskatchewan.

Both provinces took under their care the making of butter on the farms. Travelling dairy schools were sent out to educate the farmers' wives on the farms. These gave demonstrations of good buttermaking in a tent at the very door of the housewife. In 1910 the Saskatchewan Government in coöperation with the Grand Trunk-Pacific Railway sent out a passenger coach equipped as a dairy and classroom. Seven settlements along the main line were visited and 299 persons, the majority being women, attended the demonstrations. In the matter of livestock both provinces soon had cattle, horse, sheep, and swine breeders' associations receiving small grants from and reporting to the several provincial Departments of Agriculture. These organized spring stallion sales, fat cattle shows, and the like, which developed into a more elaborate winter fair at which all the types of livestock were offered for prizes given by the governments. The auction-sales in connection with the fairs did much to bring well-bred cattle within the reach of the farmers.

The Government of Alberta was much concerned over the difficulties of the livestock industry. The prices brought by the animals were unremunerative, and at times sales could not be effected, while at the same time meat was being imported into the Province. A livestock commission made enquiries and among other things recommended the appointment of a livestock commissioner by the Government. This commissioner supervised the industry and was the means of bringing the railways to accept a whole code of regulations which eliminated many of the abuses of which there had been complaint. A similar swine commission recommended that the Government establish pork-packing factories in coöperation with the farmers, much on the line of the so-called

"coöperative creameries". The Government prepared to do so but nothing came of it.

There was a very large local market for livestock in the Provinces due to the great flood of immigration and to the construction of railways. At the end of the decade, i.e., in 1910, the livestock in the three provinces was as follows:

TABLE VII—LIVESTOCK IN THE PRAIRIE PROVINCES, 1910\*

	MANITOBA	SASKATCHEWAN	ALBERTA
Horses . . . . .	237,161	279,063	263,713
Milch cows . . . . .	167,442	134,186	116,371
Other cattle .. .. .	383,752	391,789	910,547
Sheep .. . . .	29,074	129,630	171,422
Swine. . . . .	172,374	131,757	139,270

\* *Canada Year Book, 1911* (Ottawa: Dominion Bureau of Statistics), p. xxvii.

The figures show the pre-eminence of Alberta in range cattle. But the golden age of ranching was passed, save for those ranchers who had had the foresight in the previous decade to purchase their lands. The Dominion Government and the railways were inducing settlers to come in, believing that the happy moisture being experienced would continue and that dry farming would discount years of diminished moisture. Then, too, in 1902, a variety of winter wheat named Nebraska Red had been introduced and grown. Under the climatic conditions of southern Alberta, it improved its qualities, so that it was in great demand in the United States for seed. It was renamed Alberta Red. As a result, the tide of immigrants poured even into the dry areas of the south. Barbed-wire fences kept the range cattle away from their old water-holes and places of shelter, and were a real danger to a herd running for shelter before a fierce blizzard. The organization of the ranchers appealed to the Dominion Government to protect and save their industry, and at least to keep clear the land that was fit for nothing but ranching. In 1900 the grain growers were displacing the ranchers about Calgary, Macleod, and Lethbridge. The stockmen moved out to areas still left open—to the south of Medicine Hat, to the east of Cypress Hills, and to the northeast about the Red Deer River, only to be displaced once more by the incoming grain growers of the next decade. In 1904 the Cochrane Ranch

Company went out of business. "Five hundred thousand acres of some of the best land in the country were therefore placed on the market, and at once bought up by the Mormon Church at six dollars and twenty-five cents an acre, and in the course of the next few years the value of this land more than trebled. By 1905 the Lethbridge district was completely fenced within a radius of twenty-five miles of the town."<sup>5</sup> The ranchers sold their cattle and gave up their lease lands. Many remained on the land about their houses which they had purchased; they turned to breeding pure-bred cattle.

It might be thought that here was an occasion for the provincial Government, whose policy was to watch over the welfare of its people, to interfere and to save what had once been the great industry of old Alberta. The Department of Agriculture viewed the dispersal of the ranchers' herds as a temporary evil; the cattle industry would come back in a different form on the farms of the settlers.

The settlement of the land means that the number of cattle will gradually increase again and reach larger proportions than ever before. It is generally counted that it requires twenty acres of open range for each animal, or eight head per quarter section. It is an easy matter for a settler on a quarter section to keep as many head as the land would have supported under range conditions, and still grow a lot of grain. In the central portion of the province winter feeding is being taken up and gradually this line of work will be adopted as better facilities for feeding are available. This will tend to spread the marketing of the cattle over the whole year rather than to rush them all forward in the fall when prices are sure to be lowest.<sup>6</sup>

The Government accordingly adopted a policy of salutary neglect.

In the matter of poultry, the Departments of Agriculture in both provinces, as we have seen, drew the attention of the farmers to the value of the industry in bringing in cash from what might be called a by-product of the grain farm. At the institutes and by bulletins, the farmers were instructed how to feed their chickens. Alberta led the way in training them to market their eggs. In 1908 a provincial poultry-breeding plant was established at Edmonton, to guide the people into maintaining good laying strains. In 1910 a carload of pure-bred poultry was purchased in the east for the Government by the Superintendent of Poultry and sold at cost to the farmers.

Both provinces laid stress on the machinery of educating the

<sup>5</sup> C. M. MacInnes, *In the Shadow of the Rockies* (London, 1930), p. 247.

<sup>6</sup> *Report of Department of Agriculture, Alberta, 1906* (Edmonton: King's Printer), p. 71.

farmers, agricultural societies, institutes, shows of one kind and another. Local seed-grain fairs instituted in the last years of the Territorial government were pushed. Those who placed their seed on exhibition were given a copy of the score-card showing the virtues and the shortcomings of their exhibits. Over and above the judges and lecturers provided, the Government gave financial assistance. Farmers bought seed from the prize winners. It was found that such seed was often contaminated by weed seeds. Accordingly, prizes were offered for the best standing crops in the locality. This gave the seed fairs a popularity which they had hitherto lacked, and trained the farmers in the value of pure seed. It proved a successful flank attack on the noxious-weed menace. In 1906 the Dominion and Provincial Governments sent a group of lecturers in a special train equipped with seed for demonstration to practically all of the leading points in the West.

In 1906 Saskatchewan held a sort of provincial normal institute for the workers in connection with those meetings. In 1907 the first provincial Agricultural Societies' Convention was held. The need for scientifically-trained leaders and farmers was faced in 1906 by offering scholarships to take farmers' sons to the Manitoba Agricultural College, or to the Ontario institution at Guelph. In 1908 a provincial act established the University of Saskatchewan. The Board of Governors decided to establish an agricultural college within the university and to give it an outstanding position among the faculties. The scholarships continued to take students abroad until the College of Agriculture was in full running order (Oct., 1912). To this College of Agriculture the province passed over a considerable part of the task of training the settlers in coöperation with the Department of Agriculture to high standards of farming.

In Alberta a two-weeks' short course in Agriculture was held at Lacombe in March, 1909. Similar courses were given in 1910 at Lethbridge, Olds, and Vegreville. Instruction was given in live stock, dairying, agronomy, and poultry raising. Owners in the several neighbourhoods provided the stock for demonstration classes. Meanwhile a provincial university was envisaged, but without a college of agriculture. The plan was rather to establish agricultural schools with demonstration farms in suitable parts of the Province. In 1903 an act of the legislature of Manitoba provided for the establishment of a college of agriculture. In 1906 the College was formally opened. In the following year it was affiliated with the University of Manitoba.

## CHAPTER VII

### THE RAPID INCREASE OF PRODUCTION, 1911-1925

#### *1. Expansion*

**B**Y 1910 the Prairie Provinces had taken on the complexion which largely remains with them to this day. All that will now be attempted is a general sketch of their development up to about 1925, indicating more particularly and very briefly those features which were more outstanding and which may be said to be more characteristic of the period.

The construction of new lines of railway continued at a rapid pace up to 1915, when it was stayed by the Great War. Some lines were simply the completion of a development, the main aim of which had already been attained, or were concerned with the opening-up of lumber regions. For example, the Canadian Pacific extended its two lines in the country west of Lake Winnipeg to the Icelandic River, viz. from Gimli and from near Teulon in either case north to the river, while the Canadian Northern Railway pushed its line east of Lake Manitoba, from Oak Point to Gypsumville. Farther west the roads had run hitherto mostly east and west. Some were now built north and south, cutting across or uniting existing lines. These did not so much open up new country, though they brought new settlers in, as act as feeders to the main lines, giving transportation to regions already partially settled. Such were the Grand Trunk Pacific lines from Regina, through Melville and Yorkton to Canora, and from Young (east of Saskatoon) through Dana and Wakaw to St. Louis (and later to Prince Albert); also the Canadian Pacific line from Regina west of Long Lake and through Young to connect with their Yorkton line at Colonsay. More important was the opening up of new country north of the North Saskatchewan. The Canadian Northern built from Prince Albert to Shellbrook and the lumber region at Big River, and from Shellbrook to their North Battleford line at Denholm; and again from North Battleford north westward to Edam near the Turtle Lake River. The Grand Trunk Pacific also entered the game by building northward from Oba to Battleford. In 1911 it was found necessary to open a sub-agency for Dominion

lands at Shellbrook, and the Prince Albert agency reported that the settlers were going into mixed farming, which was the most suitable for that region. The land agent at Battleford reported 15 new townships opened for settlement, and settlers from Britain and the northern States, already skilled agriculturists, taking land along the line running northwestward to Edam.

Lines were also being built out from Edmonton. Within this period of five years, the Grand Trunk Pacific was completed westward to Prince Rupert. The Canadian Northern built northwestward some 80 miles through St. Albert to the Pembina River at Sangudo, and again from St. Albert northward to the Athabaska River at Athabaska. Add to this the Edmonton, Dunvegan, and British Columbia line, which was built as far as Lesser Slave Lake and was reaching towards Peace River. There was already a land agency at Grouard, and in 1911 another was opened at Grande Prairie in the Peace River Country. Although the region was far from railway transportation, the fertility of the soil and the prospect of the Edmonton, Dunvegan, and British Columbia Railway coming in lured the venturesome. The land agent reported for 1910, "Naturally in such a newly-settled country there is not a great area of land under cultivation." There was a slight increase in the homestead entries for 1911, most of the settlers taking land at Pouce Coupé in the British Columbian Peace River Block, some 65 miles northwest of Grande Prairie. The report for 1912 runs: "Many new settlers, a large number of them with families, came to the country during the year, but the difficulties of the trail are so great that the number of newcomers is not so large as the country merits. The one outstanding need of Grande Prairie is railroad connection with the outside world, and, until that comes, growth of population can only be comparatively slow." Two rural municipalities were formed in 1912. That year the agent at Grouard reported that the majority of settlers (mostly from eastern Canada and the United States) were settled at Sawridge, Grouard, Peace River Crossing, Shaftesbury, and Dunvegan.<sup>1</sup>

The Edmonton Land Agent reports for 1913: "The large amount of railway building has been the means of distributing an amount of money through the country which at the present time is very beneficial to a number of settlers who have to depend largely on the employment they can procure to tide them over the first

<sup>1</sup> See Vol. VI in this series.



unproductive years of homesteading, while new industries which are springing up in all directions are creating a manufacturing condition with its consequent pecuniary benefits." Coal mining, the Edmonton Portland Cement Co. at Marlborough, 130 miles west of Edmonton, and the manufacture of clay products are mentioned. So far as this district goes, this is the beginning of local industries, which as we shall see, marks a definite phase in the development of an agricultural country like this.

The reference to the large amount of railway building points more to the southeast of Edmonton than to the north. The area, roughly, between that city and Red Deer and Calgary on the west and the South Saskatchewan on the east, was being built over to an extent little short of astonishing. In the period of five years, 1910-1915, something like 1,700 miles of railway were built in this area. Mention may be made of the Canadian Northern (Goose Lake) line running southwest from Saskatoon, which was extended from Zealandia by way of Drumheller to Calgary, with branches from Delisle, *via* Conquest and MacRorie, to Elrose; of the Canadian Pacific line running northwest from Regina, which was extended from Outlook on the South Saskatchewan, northwestward through Zealandia to Macklin, while the line westward from Saskatoon was opened in 1911 for traffic from Wilkie to Macklin, and thence to Hardisty connecting with their line from Wetaskiwin to Camrose. A line which had been built from Camrose to Edmonton gave this company direct connections for Saskatoon and Regina with Edmonton. Finally the Grand Trunk Pacific built a connection between its main line at Tofield and Calgary by way of Camrose with a branch to Wetaskiwin, and the Canadian Northern built from Edmonton to Camrose and *via* Stettler to the neighbourhood of Drumheller to its Saskatoon-Calgary line, thus providing the country east of the Red Deer with railway transportation. These with the old Calgary-Edmonton line in the control of the Canadian Pacific gave three lines connecting Calgary and Edmonton. These last two lines opened up new territory in the district of the land agency at Red Deer, as also the line built by the Canadian Pacific from Wilkie to Kerrobert and thence westward to connect with its Calgary-Edmonton line between Lacombe and Red Deer. The country directly west of Red Deer was cared for by a Canadian Northern line to Brazeau running almost parallel to the new Alberta Central (now Canadian Pacific) line to Rocky Mountain House. The Red Deer land agent reported in 1911:

Considerable railway development took place during the past year, but 1911 promises to be phenomenal in railway construction throughout the district. Construction work on the Alberta Central and Canadian Northern railways west from Red Deer, which was carried on all winter, has given employment to a large number of settlers the winter through. These companies have paid good wages and have purchased all kinds of produce the farmers had to sell, which has made good times generally. Many new towns are springing up, and the older towns are growing rapidly, consequently there is a heavy demand for all kinds of skilled labour. The building of the railways to the west has given an impetus to settlement in that portion of the district, which formerly was neglected on account of lack of transportation facilities. Butter and cheese making, which is an important factor in the life of the farmer in this district, is steadily increasing and the earnings of the factories have been above the calculations of the most optimistic.

In a word, the railways did not simply open up new territory, but work on their construction helped the farmers to get on their feet. Villages and towns grew, and with them minor industries, in this case the manufacture of butter and cheese. In 1912 the agent reported:

Butter and cheese factories throughout the district have largely increased their output during the past season, have realized good prices and are in a flourishing condition. The town of Red Deer has made wonderful progress during the past year, and the brick yards, lumber and flour mills, and other industries have doubled their capacities.

In 1913 his report runs: "Villages have become towns, and the town of Red Deer has developed into a city."

The most interesting area settled in 1910-1915 is the dry area south and southwest of Moose Jaw, more especially as the transformation of this region, naturally adapted to ranching, into a grain-growing country was fraught with suffering for after years. The earliest settlers shunned the region as too dry for successful farming. When the special correspondent of the *London Times* passed through in 1886 he found the lands "so entirely unoccupied that the sensation of the want of inhabitants becomes positively painful".<sup>2</sup> The region had, however, proved profitable for ranching. By 1910 a considerable number of settlers, doubtless deceived by the comparative success of dry farming farther east, and by the satisfactory rainfall of previous years, ventured to take homesteads and were doing tolerably well. Even the Government and the railway companies persuaded themselves that the farming methods succeeding elsewhere would succeed here also and trans-

<sup>2</sup> *A Canadian Tour* (a Reprint of Letters of the Special Correspondent of *The Times* London, 1886), p. 29.

form the country into a grain-growing region. At any rate, the construction in the long belt south of the South Saskatchewan and between Calgary, and, say, Estevan was pushed with a vigour only equalled by that north of the river. In the five years between 1910-1915 no less than 860 miles of railway were built south of the South Saskatchewan. As an excuse for this there was the cry of those who had taken land far back from the railway, but the most potent influences were the desire of the Dominion Government to realize on its lands, the pressure of the land agents for the development of their districts, and the desire of the Canadian Pacific Railway to sell its lands. The settlers were the pawns in the game.

The Canadian Pacific built westward from Weyburn, on their Estevan-Moose Jaw line, about midway between their main line and the border, through Assiniboia and Shaunavon to Altawan, a distance of rather more than 300 miles. At the same time it built eastward some 50 miles from Raymond (on its Lethbridge line to Coutts at the international boundary) to Nemiscam. The gap between these two was filled in after years. The Canadian Northern built from Moose Jaw southward and westward to Gravelbourg; and the Canadian Pacific from Swift Current southward and eastward to Vanguard. Also Canadian Pacific was the line from Java, the first station west of Swift Current, northwestward through Cabri to the South Saskatchewan, beyond which it curved westward to rejoin the main line at Bassano. Most of these lines made it possible for the Company to sell its railway lands. The Canadian Northern pushed its way west from Maryfield on their Regina line to Lampman, then westward to Dewart, and from there northwestward to Moose Jaw. Finally the Grand Trunk Pacific built southeastward from Regina through Lampman to make connections with the roads in the United States at Northgate on the international boundary.

The Moose Jaw land agent reporting for the year 1910-1911 tells of the rush of settlers into his district, and of immigrant trains arriving daily in the spring: "With the assurance of railway facilities, the country south, between here and the international boundary, is fast settling up." To facilitate settlement the Government opened land agencies at Swift Current and Medicine Hat. The agent at Swift Current reported:

The settler that has, during the past year, come to this district, is of excellent type, the majority being from Great Britain and the United States, and, for the greater part, fairly well off financially. . . . The crop of 1910 was comparatively

small, being due for the most part to excessive dryness, frost, and in certain sections hail.

Twenty carloads of seed had to be distributed by the Dominion Government to the needy settlers in the spring of 1911. A few of the most stricken families had to be supplied with provisions. The Canadian Pacific Railway was about to begin construction—"35 miles southeasterly and 45 miles northwesterly". This would enable the farmers to "earn money by which to carry out the improvement of their lands." This inauspicious beginning was discounted by the fine crops of 1911. The land agent at Swift Current reported:

The recently closed year has been another prosperous one for the locality. Speaking of the district as a whole, the crops were very good, the yield heavy, samples of grain good, and the prices derived therefrom larger than in the majority of former years. In many instances loss was occasioned through hail, frost, or dryness, but percentage of such was small.

The Moose Jaw agent reports for the next year: "Conditions during the past year were very favourable to the farmers, and owing to the open condition of the fall, most of the grain was harvested and threshed before the cold weather set in. The only drawback to the season was the low price obtainable for the produce." No less than 5 branch lines of railway were then being constructed in his district. To facilitate settlement the Government opened a land agency at Maple Creek in 1913. For that year the agent there reported: "The crops in this corner of Saskatchewan varied considerably in different parts of the country, but where summer-fallowing had been done and a rotation followed, a very fair yield of excellent quality grain was the result. . . . The good land in this district is practically all taken up now." The price of wheat was low. His report for 1914 is confined to five lines but it embodies the ominous sentence "The crop in 1914 in this district was almost a complete failure." The agent at Swift Current states: "This district passed through a period of drought hitherto fortunately unknown in its history." Contrast with this the report from the Regina district: "The Regina district did not suffer to any great extent from lack of moisture, and a good crop was reaped which, together with the good prices realized, has created a feeling of security and contentment." The report from Saskatoon was less happy:

The homesteaders in the Saskatoon land district, the last year, have had no reason to be discouraged. It is a known fact that this district has had ten

successive years of crops, which gave profitable returns, and although the drought of last season, along with the financial depression, affected some parts, the Dominion Government's timely aid in supplying seed grain, food, and clothing for those who were in any way destitute, along with the protection granted homesteaders, enabled even the new beginner to hold his stock and prepare his soil for larger and better returns and a happier home for the future.

In 1915 the area south and southwest of Moose Jaw had a crop which has been characterized as not only the best crop in its history, but the best crop ever seen in Saskatchewan, sold at the rising prices of war-time. Further, the high price of wheat during the war enabled the farmers to carry on even when the crops were poor. For example, one farmer and his two sons gathered in a crop of wheat of no more than 5 bushels to the acre and made a profit. After the war, the people of the district stood face to face with the grim fact of insufficient moisture.

In the driest part of southern Alberta the pressing problem of drought was met by schemes of irrigation. From 1911 irrigation projects on a large scale were inaugurated. By 1925 the Canadian Pacific Railway Company alone had dug 4,192 miles of ditches. The total mileage of ditches was 5,404. The irrigable area was 1,117,059 acres. That of this but 257,432 acres were actually irrigated in 1925 proclaims the fact that irrigation has not proved an entirely satisfactory solution of the problem.<sup>3</sup> The conditions for profitable irrigation are absolute drought, enabling man to regulate the supply of moisture as required, and produce garden truck which will fetch high prices per acre. These conditions do not prevail in Alberta, for the drought is only partial. After the fields have been irrigated a downpour of rain may come and almost drown out the crops, and the produce, mostly fodder, fetches too low a price in the market to bear the cost of an extensive irrigation plant. It would appear that the promoters of these schemes faced them from the engineering point of view rather than from that of the profitable farming of the products of the Northwest.

The railway construction during the five years from 1915-1920, on account of war conditions, was slight and of no importance for settlement. The main area settled was already practically provided with transportation facilities. A few short extensions were built in the interest of isolated settlers or to link up lines and secure more efficient operations. The Canadian Northern line running west from Edmonton was extended to Athabaska Pass and New

<sup>3</sup> *Canada Year Book, 1926* (Ottawa: Dominion Bureau of Statistics), p. 257

Westminster, but as the part running through Alberta duplicated the Grand Trunk Pacific, it had no great significance for the opening up of the country. The construction of a line by this company from Edmonton northeastward to Lac la Biche opened up a new country, but had little influence on settlement in war-time with immigration at a standstill. The same may be said of the extension of the line of the Edmonton, Dunvegan, and British Columbia line from Lesser Slave Lake, westward to McLennan, and thence, northward to Peace River, as well as westward to Spirit River from which settlement it ran south to Grande Prairie.

The railway construction of 1920-1925, a period marked by post-war depression, was not great. The Canadian Pacific built from a point west of Shelo, on its Yorkton to Saskatoon line, northward to the Saskatchewan at Nipawin. It also built from Lanigan on the Yorkton line northward to Melfort and reached Ridgedale in a northeasterly course aiming for connection with its Nipawin line. Farther west the Canadian Northern line to Edam was extended to St. Walburg, and a line commenced from Edmonton in the previous years was extended eastward to St. Paul des Métis, leaving a broad space to be covered before these two can be linked to form a long line running north of the North Saskatchewan. The chief interest in these lines lies in the fact that they were bringing settlers deeper into the country visited by early autumn frosts, and that settlements effected by them required the earliest maturing wheat possible.

## *2. New Wheats and New Methods*

In 1911 the Northwest entered the age of Marquis wheat. This new variety was bred in 1892, in the time of William Saunders, at one of the western experimental farms, by crossing male Red Fife with a female of one of the three types of hard Red Calcutta. In 1903 the seed lay in Ottawa for further breeding to secure fixity of type and what other improvement might be possible. In that year, C. E. Saunders, the son trained under his father, became Dominion Cerealists at the Central Experimental Farm in Ottawa, with this further breeding one of his duties. Among the many varieties awaiting his attention was one which he afterwards named Marquis. Saunders used to test the seed for gluten by the somewhat crude method of chewing it and judging the gluten by the stickiness of the result. His attention was thus directed to Marquis. The tiny plot of 1904 yielded less than one pound of grain, but by

1908 the seed was being tested in the western experimental farms. In 1911 the report of the Brandon station gave the average results for the six types of wheat on which attention was concentrated during the previous years.

TABLE VII—MATURING PERIODS AND YIELDS OF VARIETIES OF WHEAT\*  
(Averages for Five Years)

VARIETY	MATURING PERIOD (days)	YIELD	
		BUS.	LB.
Preston	111	42	58
White Fife	117	41	28
Red Fife	115	41	16
Huron	112	38	4
Stanley	112	37	58
Marquis (for 3 years)	107	45	3

\* Report of Experimental Farms, 1911 (Ottawa Department of Agriculture).

As contrasted with Red Fife which still held the field in the Canadian West, Marquis represented a gain of 8 days in the period of maturing and 7 bushels in the bulk of the crop. The gain in bulk is of great importance because generally speaking the earlier the wheat matures the lighter the crop. The test as between Red Fife and Marquis over a period of eleven and ten years brought similar results.

#### INDIAN HEAD: 1907-1917 INCLUSIVE<sup>4</sup>

Days from seeding to ripening    Yield in lb. per acre

Marquis	122	3,084
Red Fife	128	2,210

#### BRANDON: 1908-1917 INCLUSIVE

Marquis	107	2,594
Red Fife	113	2,148

On the average the increased productivity at Indian Head was about 40 per cent., at Brandon it was about 20 per cent. At a time when immigrants had been pouring into the country and increasing the volume of wheat for export enormously, Marquis wheat was introduced, and, as can be seen by the above results

<sup>4</sup> A. H. R. Buller, *Essays on Wheat* (New York, 1919), p. 175.

added very greatly to that volume. Not less important was the security gained for the crops. Harvesting was put forward six days by Marquis and early autumn frosts lost that much of their former terrors. Moreover, while not rust resistant, Marquis tends to mature before rust becomes prevalent. Rust is a plant disease which feeds on the sap in the stem and prevents it from going to fill out the grains. The grains of Marquis are usually well-fed before the combination of warmth and damp in August gives full play to the development of rust. To these great gains in the material sphere must be added one in the psychological. The development of Marquis was a demonstration of the possibility of overcoming the difficulties of climate by the application of scientific knowledge to the solution of the problems of the West. The experimental stations of the Government and of the universities of the Prairie Provinces turned with redoubled energy to out-Marquis Marquis. Could a wheat be found with all the virtues of Marquis but maturing sufficiently early to escape from the frosts recurring in the northern parts now being settled? As rust became increasingly prevalent, especially near the international boundary, could a rust-resisting variety be secured? These are the questions which have held the attention in the last twelve years.

The strains of wheat which gave some promise of solving the problem of the north were, in the year 1923, Reward, Garnet, Prelude, and Ruby. These were all the result of many years of cross-breeding and culture. In 1888 A. F. Saunders, a son of William Saunders, under his father's direction bred from White Fife (male) and (Russian) Ladoga (female) a strain called Alpha. In 1892 he crossed hard Red Calcutta (male) with Alpha (female) and got what was called Fraser. In 1903, C. E. Saunders, his brother, crossed Fraser (male) with downy Gehun (female), a seed from the upper limit of wheat growing on the Himalaya Mountains imported by William Saunders. The result was Prelude. In 1891 W. T. Macoun crossed a Russian wheat Onega (male) with Gehun (female) and got Downy Riga, the female of which C. E. Saunders crossed with the male of Red Fife. This issued in Ruby. The pedigree of Garnet is even longer. It begins with the early-maturing Ladoga which attracted so much attention in the eighties and which Saunders had imported from Russia. Crossed with Red Fife, Ladoga produced Preston and Preston A, which attracted the attention of the nineties. Bred with a strain out of Riga (Riga M) Preston A gave Garnet. Prelude



crossed with Red Fife gave Reward. The results of the test of all these along with Marquis and Red Fife as made at Indian Head in 1923 were as shown in Table IX.

TABLE IX—WHEAT (FALLOW): TEST OF VARIETIES OR STRAINS  
(Date of sowing, May 4, 1923—Indian Head, Sask.)

NAME OF VARIETY	NO OF DAYS MATURING	AVERAGE LENGTH OF STRAW (inches)	STRENGTH OF STRAW ON SCALE OF 10 POINTS	YIELD PER ACRE (lb.)	YIELD PER ACRE (bus.) (lb.)	WEIGHT OF MEASURED BUSHEL AFTER CLEANING (lb.)
Reward (Ottawa 928).	103	45	10	1,880	31 20	64 0
Garnet (Ottawa 652).	100	43	7	1,740	29	61 0
Marquis (Indian Head seed) . . . . .	104	43	7	1,740	29	58 0
Prelude (Ottawa 135).	98	40	7	1,360	22 40	59 2
Ruby (Ottawa 623) . . .	99	44	7	1,140	19	60 0
Red Fife (Ottawa 17)	111	52	7	960	16	58 0

The table shows how far Red Fife was now outclassed in yield, calculated both by weight and measure. It shows also that Marquis was outclassed in the matter of early maturing by Reward (1 day) Garnet (4 days), Prelude (6 days), and Ruby (5 days) but in yield it was only surpassed by Reward. Prelude as against Garnet was doomed to fall out of the race for its low yield, which could not be offset by its maturing 2 days earlier. The same reasons put Ruby out of the race. The conclusions at Indian Head, 1923, received ample confirmation through the tests of subsequent years and elsewhere. By 1927 the Dominion Department of Agriculture felt sufficiently sure of Garnet to issue a pamphlet, *Garnet Wheat, New Promising Variety of Early-Maturing Spring Wheat*. The "General Conclusions" (p. 74) run:

From the data now available we may conclude that Garnet is a variety which merits consideration in those districts where the conditions [meaning more particularly late sowing and early frosts] are inimical to the proper development of Marquis. . . . From the standpoint of milling and baking qualities, Garnet undoubtedly does not rank as high as Marquis, all things considered, although it seems entitled to rank among the good milling cereals. The chief point regarding which Garnet is open to criticism is in the colour of flour. This without doubt is more creamy than Marquis. Since, however, bleaching and maturing processes have become so highly developed and are becoming so generally prac-

tised, the objection to the colour of Garnet would appear to be appreciably minimized.

With this much encouragement, the farmers in northerly parts began to grow Garnet on a large scale, the general distribution of seed having begun in 1926.

It was not till 1929 that Reward was officially distributed. Further tests had shown that it matured, not 1 but 5 days earlier than Marquis, that its straw was strong, a matter of importance

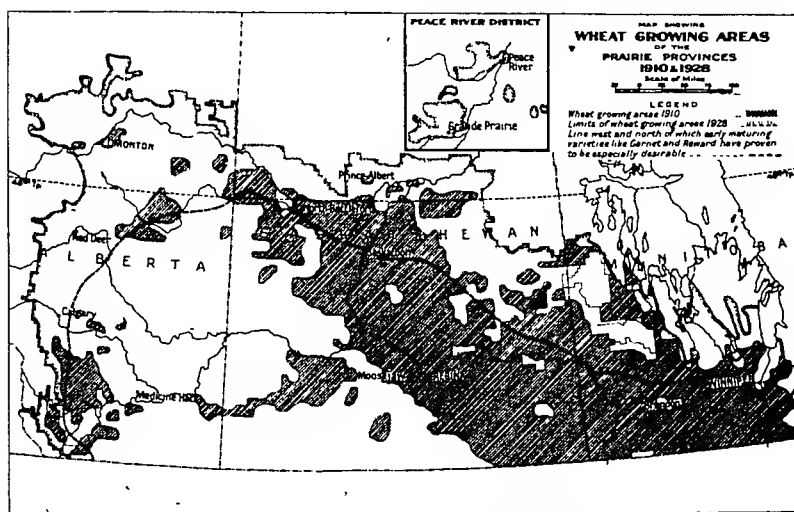


FIG. 12—Wheat-growing area of Western Canada, 1910 and 1928. Note the southern limit of the optimum area for the hardy Garnet and Reward wheats. (National Development Bureau, Ottawa.)

where the growth is rank as in many parts of the north, and that, on the average, its yield was as great as that of Marquis. Garnet, Marquis, and Reward were grown side by side from seed supplied by the University of Saskatchewan to various parts of the province and subjected to rigid tests in the Department of Chemistry at that university. The comparison of 116 samples each of Garnet and Marquis brought the following results:

	IN PROTEIN (per cent.)	IN BAKING QUALITY (per cent.)	IN BLENDING VALUE (per cent.)
Garnet samples poorer than Marquis	48	63	75
Garnet samples equal to Marquis	33	23	22
Garnet samples better than Marquis	19	14	3

The comparison of 118 samples each of Marquis and Reward grown side by side with Marquis from seed provided by the University resulted as follows:

	IN PROTEIN (per cent)	IN BAKING QUALITY (per cent)	IN BLENDING VALUE (per cent)
Reward samples poorer than Marquis . . . . .	5	6	8
Reward samples equal to Marquis . . . . .	20	14	50
Reward samples better than Marquis . . . . .	75	80	42

The comparison of Garnet and Reward worked out as follows:

	IN PROTEIN (per cent.)	IN BAKING QUALITY (per cent)	IN BLENDING VALUE (per cent)
Samples of Reward that were poorer than Garnet.	2	3	0
Samples equal to Garnet . . . . .	13	6	10
Samples 5-15 per cent. better than Garnet . . . . .	34	26	50
Samples 15-25 per cent. better than Garnet . . . . .	22	21	26
Samples 25-35 per cent. better than Garnet . . . . .	12	18	11
Samples more than 35 per cent. better than Garnet . . . . .	17	26	3
Total Reward better than Garnet . . . . .	85	91	90

A comparison of the samples grown in the north with those grown in the south using Marquis, grown in the same place, as the measuring rod brought the following results:

	PROTEIN (per cent.)	BAKING QUALITY (per cent.)	BLENDING VALUE (per cent.)
<i>North-grown</i>			
The average value of Garnet is . . . . .	12 per cent. lower	12 per cent. lower	10 per cent. lower
The average value of Reward is . . . . .	17 per cent. higher	17 per cent. higher	4 per cent. higher
<i>South-grown</i>			
The average value of Garnet is . . . . .	2 per cent. lower	4 per cent. lower	8 per cent. lower
The average value of Reward is . . . . .	11 per cent. higher	15 per cent. higher	4 per cent. higher

"In protein, baking quality and blending value, there is a greater spread between Garnet and Reward, when grown in the north, than when grown in the south."

Basing on these findings the Extension Department of the College of Agriculture in the University of Saskatchewan issued a bulletin (No. 49), *The Relative Quality of Marquis, Garnet and Reward Wheats Grown in Saskatchewan*, recommending the displacement of Garnet by Reward. The importance of this conclusion in this period of depressed prices due to over-production appears in the *Guide to Crop Production in Saskatchewan* (Bulletin No. 82) issued by the Department of Agriculture, Saskatchewan. The argument runs: Canadian wheat is in demand in Europe for its high protein, baking quality and blending value. It can be mixed with inferior wheats to give a fine quality of bread. A uniform standard of quality is of supreme moment in this time of fierce competition in the world market. It would be wise, therefore, to eliminate all inferior varieties from the crops of the country and secure a uniformly high standard of quality. This can be obtained by the growth of Marquis in the south, and early-maturing Reward (which betters it in almost every way) in the north.

The search for a rust-resistant wheat has been long and persistent. At present Ceres is being recommended as the nearest approach to it. At the Brandon Experimental Farm in 1927 its record as compared with Marquis was:

TABLE X—COMPARISON OF WHEATS FOR RUST-RESISTANCE, 1927\*

VARIETY	NUMBER OF DAYS OF MATURING	AVERAGE STRENGTH OF STRAW	AVERAGE PER CENT OF RUST		AVERAGE WEIGHT PER BUS (lb.)	AVERAGE YIELD PER ACRE	
			STEM	LEAF		BUS.	PER CENT. OF MARQUIS
Marquis .. ..	105	8 7	75	20	60 2	32.3	100.00
Ceres.....	103	8 6	13	20	62 1	31 6	97.83

\*Report of Experimental Farms, 1928 (Ottawa Department of Agriculture).

The weight of Ceres per bushel is nearly 2 lb. greater than Marquis, while Marquis is of greater bulk. Ceres harboured but 13 per cent. stem rust as against Marquis 75 per cent. The present aim for the grain-growing business in the Prairie Provinces then is to secure the general raising of wheat of high Marquis standard for export by growing Marquis in the central area where it is comparatively safe from frost and rust, Reward in the north where its early maturing quality promises escape from the frost, and Ceres

near the international border where the dangers from rust are great, all wheats below the standards of these equal three to be eliminated.

If this policy is to be pursued a profitable domestic use must be found for low grades of wheat. Research at the University of Saskatchewan has resulted in a bulletin of the Extension Department (No. 56, Dec. 1932) pointing the way. "Several years of low prices coupled with feed shortages in certain areas have aided in focusing attention upon the value of grain as a livestock feed . . . The lower market grades of wheat are nearly equal to the higher or milling grades in feeding value." Experiment was made with 8 groups of bacon pigs on various diets with the following results.

GROUP No	RATION	AVERAGE DAILY GAIN (lb.)	GRAIN REQUIRED PER 100 LB. GAIN (lb.)
1.	Wheat plus green forage and buttermilk	1 50	275
2.	Wheat plus green forage and tankage . .	1 15	368
3.	Corn plus green forage and buttermilk .	1 24	291
4.	Corn plus green forage and tankage ..	1 09	370
5.	Barley plus green forage and buttermilk :	1 44	281
6.	Barley plus green forage and tankage ..	1 12	382
7.	Oats plus green forage and buttermilk ...	1 10	333
8.	Oats plus green forage and tankage ..	93	425

Not only is wheat of low grade a profitable substitute for corn but it carries with it the advantage of being home grown and cheaper. Satisfactory results were also secured in fattening cattle. We may be on the verge of a new chapter in the history of grain growing in the West. We will no longer pay costly freightage to throw our inferior grain upon a reluctant and glutted market, but confine our exports to the highest grade of which the European countries always require their quota to strengthen the bread from their inferior grain. Our low-grade wheat used at home will be ultimately exported in the form of bacon or fatted cattle, and bring satisfactory returns. The interest of this brochure is, however, less in the actual results than in indicating the extent to which here, and indeed in all the crises of the agriculture of the West, scientific research has been able to discount the difficulties of the climate,

of transportation, and of marketing, to contribute to the progress of the country and to instill hope for the future when most needed.

Of all the investigations—and they can be counted by the score—into methods of agriculture, the economic use of machinery and what not, space permits reference to but one more, the search for a forage plant adapted to western conditions and this is taken up only because it throws light upon the general development. As we have seen, all along the farmer was urged not to confine himself to grain growing but to bank against crop failures by diversified farming and in particular by stock-raising. In the early days this was simple enough for the cattle could graze on the open prairie, and forage could be secured at little cost by cutting the prairie grass, prairie wool as it was called (on any spot every second year), or the hay in the sloughs (yearly). But in the period under study the land was largely taken up, was being fenced in and put under grain; the sloughs had often been trampled into holes by the cattle so that the mower could no longer be used, and indeed the sloughs generally were drying up. Accordingly, if the farmer was to continue rearing cattle, and the dairy industry was to progress, some suitable forage plant must be found. Among the materials investigated were green oats cured as hay, Western Riga grass, brome grass, timothy hay, alfalfa (lucerne), and the red clovers of Ontario and Britain, none of which proved wholly satisfactory. By 1916 the University of Saskatchewan had found a solution in drought-resisting sweet clover, hitherto regarded as a pestilent weed. The strain developed was from Siberia and was given the name Arctic. Not only has it proved to be a satisfactory forage plant, but incidentally it helps to solve several other problems which face farming. It has proved an excellent means of meeting the weed menace for its rank growth in the spring chokes out many types of weeds. One apparent disadvantage, *viz.*, that it is but a biennial has worked rather in its favour. Much cropping of wheat deprives even the rich prairie mould of its organic matter or “fibre”, as it is called, and the yield begins to decline. Robbed of its “fibre” the land becomes subject to “blowing” under the fierce prairie winds. Arctic sweet clover “bears nodules on its roots. These nodules are the home of bacteria that utilize the nitrogen and oxygen of the air lodged between the soil particles and convert these two gases into a substance called nitrate. Nitrate is a fertiliser or plant food, required by all plants.” The vigorous branching root system of the clover penetrates into and mellows

the soil, leaving it receptive to rainfall. Ploughed in, at the end of its second summer, Artic sweet clover puts back into the soil what has been taken from it, providing it with decaying organic matter. At this stage it holds the soil together and minimizes the "blowing" which is so harmful in spring. It thus provides a hay crop, a pasture crop for stock, pigs and poultry; it keeps weeds under control; it gives its own seed; and it improves the subsequent wheat crop. In the sum it tends to maintain stock-raising, and it keeps grain growing from declining. Here again scientific research is coming to the rescue of agriculture by pointing out the means by which the difficulties of the climate may be discounted.

### *3. The Administrations of the Prairie Provinces in Reference to Agriculture*

The educational activities of the several governments of the Prairie Provinces so far from being abated by the general prosperity of the years 1911-1925, were greatly increased, for the progressive well-being of the country put the means of financing elaborate policies at the disposal of the administrations. Indeed the provinces may be said to have only got into their full stride from 1913 onwards. Because of the range and intricacy of these activities and the diverse courses taken by the several governments, it will be well, to take Saskatchewan as the typical province, and to refer to Alberta and Manitoba as occasion arises. Even in reference to Saskatchewan the individual schemes can only be indicated. What requires emphasis is the contribution of the Government towards educating a heterogeneous mass of immigrant settlers up to efficiency and to the production of the highest grades in the several lines. Nor should it be inferred because only occasional mention is made of the contributions of the Dominion Department of Agriculture that the Dominion Government was not equally active. It is a matter for congratulation that in the sphere of agriculture constitutional wrangles over the respective sphere of the Dominion and the provinces were avoided and cooperation was the order of the day.

With the establishment of the College of Agriculture as an integral part of the University of Saskatchewan, the province was able to pass over to it the task of educating the farmers up to high standards of agriculture. The work of the college has taken three directions—research, intra-mural instruction, and extra-mural

education by means of the Extension Department. The researches have been supported not only by the provincial but also in certain cases by the Dominion Government. The development of forage plants calculated to put the livestock industry on a firm basis, and the search for a wheat of the same grade as Marquis, with the same milling and baking qualities but maturing, as Reward does, early enough to be relied upon in the northern part of the provinces, both indicated above, may be taken as illustrating the activity of the College of Agriculture in this sphere.

The intra-mural instruction has had two aims—to train a small but highly efficient band of students, the potential educators and leaders in the wider sphere of the province, and to give a good agricultural education to as many farmers' sons as may be, who will go back to their farms and become model farmers in their district. The first group receives a scientific training covering four years and graduates with the degrees of Bachelor of Science in Agriculture, which beside training them for the farm fits them for teaching in secondary schools or colleges, for research, and for administrative work. These students usually specialize in some special branch. Scholarships enable the most promising to continue their studies and research in the highly-equipped institutions of Canada and the United States. An adequate proportion of the graduates has returned to the staff of the agricultural college and the administrative service of the province and has already made its contribution to the welfare of the land. The second group after two years of more general study can pass out to the occupation of farming with the certificate of Associate in Agriculture.

The wider task of educating the farming population at large lies upon the Extension Department. To do this work effectively some medium must be provided through which the department can function. This is found for the farmers in the Agricultural Societies and for their wives in the Homemakers' Clubs. No campaign has ever been staged to organize agricultural societies. On the contrary, rigid requirements have been laid down before a charter is granted. Yet the societies have increased from year to year from the Territorial regime when they first came into being in 1887 up to the present. At the inception of the province in 1905 there were 33 societies; in 1925 there were 156 with 10 additional ranking as "unchartered societies". These societies have organized the local fairs, whose educational value appears to have varied greatly, and the Institutes devoted wholly to the consideration of



the farming problems of the locality. In the early days, the Dominion Department of Agriculture had generously come to the assistance of the provinces in providing lecturers from among their trained agriculturists on the experimental farms, but as the number of societies multiplied such assistance became increasingly inadequate. There was great danger of the institutes having to rely upon local talent in which case they would descend to the level of meetings of farmers swapping experiences. All looked to the College of Agriculture to provide trained men to maintain a high level of instruction at the Institutes. But in its early years the resources of the College were inadequate for training of a more specialized kind. The Dominion Government fortunately offered the means of supplying the deficiency. In 1912 the government of Sir Robert Borden introduced a measure to aid agriculture.<sup>5</sup> "The Minister of Agriculture, with the authority of the Governor-in-Council, may enter into an agreement with the Government of any province setting forth the terms upon which such subsidy is granted and prescribing the conditions under which and the purposes for which it shall be expended." In some of the eastern provinces the money was spent building fences for the farmers. In the West it was expended on agricultural education. In fact, the grant is referred to in the reports of the Saskatchewan Department of Agriculture not as the Agricultural Aid Grant, but as the Agricultural Instruction Grant. In 1922-1923, the last year of the scheme, the following use was made of the money in Saskatchewan:<sup>6</sup>

## A.—COLLEGE OF AGRICULTURE

- |   |             |
|---|-------------|
| 1. Staff salaries—Research and extension service..... | \$19,209 49 |
| 2. Women's work—Homemakers' clubs ... ..              | 7,500 00    |

## B. INSTRUCTION AND DEMONSTRATION

- |                                      |           |
|--------------------------------------|-----------|
| 3. Demonstration trains ... ..       | 20,000 00 |
| 4. Agricultural representatives..... | 6,209 50  |
| 5. Veterinary short course.....      | 500 00    |

## C. ELEMENTARY AGRICULTURAL EDUCATION

- |  |           |
|--|-----------|
| 6. Agricultural instruction in public, high, and normal schools, household science, training of teachers, nature study ..... | 20,709 49 |
| 7. Grants to schools operating departments in household science..  | 3,000 00  |
| 8. Expenses of officials at school fairs.....  | 3,000 00  |
| 9. Post-graduate course in agriculture, agricultural scholarships (from the College of Agriculture to study elsewhere)..     | 1,600 00  |

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\$81,728 48

<sup>5</sup> *Statutes of Canada*, 2 Geo. V. c. 3.

<sup>6</sup> *Report of the Department of Agriculture, Saskatchewan, 1923* (Regina: King's Printer), p. 13.

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A similar use was made of the grant in the other prairie provinces.

With a satisfactory group of trained young men at its disposal to supervise and assist the agricultural societies in their various activities there was continued interest and progress through the years. At the twentieth anniversary of the establishment of the province the Director of the Extension Department summarized progress in the following statistical table.

TABLE XI—GROWTH OF AGRICULTURAL SOCIETIES AND THEIR WORK, 1905-1926\*

	1905	1910	1915	1920	1925	1926
Number of Societies	33	76	115	141	156	158
Total membership	3,849	12,468	14,435	20,712	25,076	28,104
Average membership	116	164	125	141	188	198
Total prizes paid at exhibitions	\$9,194	\$52,075	\$86,482	\$140,067	\$152,732	\$186,319
Ploughing matches	.	7	61	32	10	13
Seed fairs...	.	62	90	45	34	37
Poultry shows ..	.	..	25	37	32	40
Field competitions.	.	39	24	29	55	57
Provincial seed-fair entries.	.	.	113	190	311	485

\* *Ibid*, 1927, p. 310

The range and volume of the activity of the agricultural societies in conjunction with the Extension Department of the Agricultural College of Saskatchewan may be judged by the report of the Director for the single year 1926-1927. "One hundred and forty-eight agricultural exhibitions; 54 standing-grain competitions; 4 combined seed-crop and cleaned-seed competitions; 6 good-farming competitions; 12 forage-crop competitions; 33 farm-gardens competitions; 37 seed fairs; 40 poultry shows; 2 fall shows; 3 horticultural shows; 3 calf-feeding competitions; 1 spring stock show; 3 field days [i.e., the gathering of the local society on a specially fine farm for inspection]; 4 excursions to the University; 128 agricultural short course meetings [Institutes]; 41 agricultural lecture-car meetings [lectures in a railway car fitted for the purpose and sent mostly to areas where the settlers were scattered and not organized in a society]; 64 boys' stock-judging courses [conducted at the fairs]; 51 stock-judging competitions; 21 pig-clubs' fairs [in which the boys compete for prizes with pigs of their own raising];

and 42 miscellaneous agricultural meetings." For the most part the local groups provided the accommodation and the advertising; the Extension Department, the judges and lecturers.

The seed fairs originated in Territorial times. Prizes were given by the Department of Agriculture for the best samples. Their interest was greatly enhanced from 1906 when they were brought into relationship with competitions of the standing crops of the locality, at first only of grain, but finally of all the crops, oats, barley, rye, flax, brome grass, western rye grass, alfalfa, sweet clover, and corn. The standing-crop competition showed the value of clean seed in keeping down the weeds, and constituted a flank attack on the noxious weeds. The seed grain fairs owed their origin and growth to the encouragement given by the Seed Branch of the Department of Agriculture of the Dominion, which at first supplied the judges and the lecturers and to the financial support of the local Government in the form of prizes. In 1915 the provincial Department of Agriculture undertook to inspect, free of charge, the fields of registered seed growers and their seed. In that year 8,200 bushels were inspected and sealed for 91 members, in 1922-1923, 22,091 bushels. In 1928 there were 482 members of the Canadian Seed Growers' Association in good standing in Saskatchewan. In 1923 registered seed was made a regular grade under the *Act respecting the Testing, Inspection and Sale of Seed* (13-14 Geo. V. c. 27) and crop and seed inspections, were discontinued by the provincial department and were undertaken by the Dominion Seed Branch. No finer illustration could be desired than this of the results of the team work of the Dominion Department of Agriculture, the provincial department, the College of Agriculture and the agricultural societies.

In the early years it was the policy of the Department to invite representatives from each agricultural society to Regina to discuss with the Department of Agriculture the circuit of fairs and institutes, and general policy. There would be an evening meeting of an educational kind thereafter. On Dec. 11 and 12, 1907 the first Convention of the Agricultural Societies was held in Regina, the second in January, 1909. After the establishment of the College of Agriculture the Convention made the college its home, addresses being frequently emphasized by demonstrations on the university farm. At these meetings, the farmers envisaged the results of the researches at the College of Agriculture and were encouraged to secure seed and test the results in actual farming.

Their reports are strictly a continuation of the researches, and, as in the case of Reward wheat grown in the north, a definite contribution towards them. At the conventions the provincial Department of Agriculture stood to the front at the side of the College of Agriculture. The policies and aims of the Department were explained and their reactions on the farmers ascertained, so that the Department could go forward to its legislation and administration with the intelligent support of its public. The happy reaction of these groups upon one another—the practical farmers, the men of scientific research, and the administrators—goes far towards explaining the smooth course of agricultural development in the West, and the efficiency that has been secured.

In Manitoba and Alberta the development of the agricultural societies and their relation to the administration is much as pictured in Saskatchewan. The range of the activities and the emphasis naturally have varied with the needs of the several provinces, but the general results have been similar. The greatest differences are a matter of machinery. In the two provinces the Extension work is carried on by the several Departments of Agriculture. In Manitoba, the Agricultural College established in 1905 stood beside the Department of Agriculture at the conventions of the farmers' societies.

In Alberta the differences in the machinery are due to the policy followed in agricultural education. In 1911, 6 demonstration farms were planned for different points in the province—at Medicine Hat, Claresholm, Olds, Sedgewick, Vermilion, and Stony Plain. The plan was to erect agricultural schools at those points to educate the boys and girls of the several regions in practical agriculture and domestic science. Graduation from these schools was intended to give admittance to the College of Agriculture when established (1915). The farms were to serve at once as a necessary adjunct to the schools and as centres of education for the farmers of the several regions. Probably because of the cost of the scheme only 3 schools—at Claresholm, Olds, and Vermilion—were opened. These farms and schools became the centres of education for farmers in the several areas; and the meeting-place for annual conventions of the agricultural societies, with the result that Alberta has no provincial convention. If provincial unity was not attained as in Saskatchewan, local unity was secured and it was further enhanced by a system of district representatives of the Department of Agriculture inaugurated in 1915—a system

which prevails also in Manitoba. The duty of these representatives has been to train the farmers of their region into observance of the regulations of the Department, and to stimulate them to better methods of production. They are looked upon as the only means by which extension work can be carried out.<sup>8</sup> The system began to be installed in Saskatchewan in 1914, when 4 representatives were appointed, but difficulty was found in getting men of the ability and of the range of talents equal to the task of promoting the many policies of the Department of Agriculture and organizing the extension work. Especially was this so during the war. In 1922, a fresh start was made with 5 graduates of the agricultural college, but the termination of the Dominion grant in aid of agriculture and the demands of economy led to the abandonment of the scheme in the following year.

In the administration, the term "extension" is applied to the more purely educational part of the work. The schemes of more immediate concern to the Departments of Agriculture came under the classification "improvement". While the commercial side is more to the front and the methods differ, none the less the work has been educational, and directed to procure greater productivity and higher standards of produce. On the Live Stock Commissioner was laid the duty of training the farmers to raise better breeds of animals, and of securing better markets. This was achieved through the various organizations which arose in the place of the Live Stock Breeders' Association—societies devoted to the supervision of the various kinds of animals—the Horse-, the Cattle-, the Sheep-, the Swine-breeders' Associations. These received grants from the Department of Agriculture towards their administration and money prizes for their shows—at the exhibitions and at the Winter Fair—whose commercial and educational value none doubted. The Government of Saskatchewan was particularly concerned to escape from exclusive grain growing, and it is eloquent of the hold wheat growing had on the farmers and of the difficulties in the way of stock-raising that the Department of Agriculture had to employ a special device to lead the farmers ~~into~~ stock-raising. The Report for 1913 runs:

On account of the evident desire on the part of small farmers to obtain breeding stock and also on account of the difficulties attending this procedure, such as lack of capital and scarcity of suitable animals, the department formulated a distribution policy under which applicants would be supplied with a certain number of animals on a cash, half-cash or all credit basis upon their compliance with certain stipulated regulations.<sup>9</sup>

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This was the scheme of Territorial days revived. That the farmers availed themselves of this offer is shown by the statistics of the distribution:

TABLE XII—PURCHASERS UNDER THE ACT\*

	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	TOTAL
Purchasers of cattle	127	163	184	243	356	310	402	284	303	271	194	2,837
Purchasers of sheep		18	52	30	101	162	120	61	12	18	17	591
Purchasers of swine		2	3		65	5	7	53	18	128	62	343
Total .....	127	183	239	273	522	477	529	398	383	417	273	3,771

\* Report of Department of Agriculture, 1924 (Regina King's Printer).

In 11 years, pure-bred cattle, mostly bulls, were distributed to 2,837 farmers. This must have been a stimulus to many others to improve their herds by purchases at the fairs. Another impetus in the same direction was given by the Government creameries in the form of butter-fat, cow-testing competitions, and especially by the purchase of milk on the basis of butter-fat and by short courses in dairying, dairymen's conventions, dairy-demonstration trains, and the like.

The Prairie Provinces have a climate altogether suitable for poultry-raising. The land is full of sunshine even in the winter, and its dryness makes for the health of the flocks. Yet the farmers were slow to appreciate the possibilities. It was largely through the several governments that they came to realize this. Saskatchewan, as we have seen, bought chickens of an approved standard, at the creameries, fattened and sold them, giving the farmers the benefit of the net profits. Alberta led the way in teaching the poultry growers to candle and grade their eggs. Coöperative egg societies were the means devised to accomplish this. Government-poultry farms provided the people with pure-bred stock. To-day poultry is one of the four great industries of the West. Western turkeys, which, on account of the long summer days in the Peace River region, grow to great size, adorn the dinner tables of the rich in Montreal.

The provincial governments did not hesitate to enter into business enterprises if only they promised to be a means of educating the farmers. The Saskatchewan Government operated the creameries and sold their product, giving the total net profits to the

members of the "cooperative" company. In Alberta the creameries were in the hands of private companies, but such of them as chose could hand over the produce to the Government for storage and sale. The Government entered into business with no theories, socialist or collectivist. The bureaucracies did not show the usual octopus-like tendency to grasp at more and more of the business of the country. They never swerved from their main objectives, to train a heterogeneous mass of settlers to discount disastrous years of drought and frost by diversified farming, to inculcate in them the value of high grades of produce, and to create a business machine which would deliver the farmer from the grip of the middleman, and would bring maximum profits to him. With this last object in view a commission was appointed to enquire into the operations of systems of agricultural credit. Its report,<sup>7</sup> rendered in 1913, brought the experience of many countries before the Government and the province, and gave a great impetus to coöperative marketing. The Cooperative Organization Branch was formed within the Department of Agriculture. In its annual report, for 1914, the branch called attention to the extent to which coöperation was already in vogue in the province.

For several years past the members of many of the local grain growers' associations have joined together to purchase such supplies as binder twine, building and fencing material, flour and feed, etc. In practically every case these ventures into the field of coöperative purchasing proved highly satisfactory, a very material saving being effected through purchasing in carlots, paying cash, and distributing direct to the farmers from the railway car. These associations, however, had no legal status and each member was individually liable for any debts which the association might contract. This deprived the associations of the support of many of the more wealthy and cautious farmers and led to a widespread desire for the enactment of legislation which would permit of the organization of coöperative associations in which shareholders should enjoy limited liability, as do shareholders in joint stock companies. To meet this the Agricultural Coöperative Associations Act was introduced and passed at the 1913 session of the Saskatchewan Legislature.

#### 4. *Farmers' Institutions*

Under the Agricultural Coöperative Associations Act any five or more farmers could form an incorporated association with limited liability and engage in coöperative production, marketing, and purchasing. Each shareholder regardless of the number of his shares had but one vote. Paid-up capital was to secure not more than 6 per cent. interest per annum. A small percentage of the

<sup>7</sup> *Report of the Royal Commission on Agricultural Credit, 1913* (Regina: King's Printer).

profits was to be set aside for a reserve fund. The profits thereafter were to be divided among the patrons in proportion to the volume of business which each transacted through the association. The administration of the act was placed in the charge of the Cooperative Organization Branch of the Department of Agriculture. The first association to register was that of Juniata, its objects being given as "to produce, purchase, and sell livestock, farm products, and supplies." In 1914 there were 112 associations registered. The reports of 102 associations showed a total of 2,850 shareholders, \$13,494.20 paid-up capital, and \$37,337.53 assets. The total value of the farm supplies handled was \$239,320.42, and of the livestock sold was \$42,034.22.

In 1913 the charter of the Saskatchewan Grain Growers' Association was amended to enable the Association to act as central purchasing and marketing agent for the registered agricultural cooperative associations. Beside these local trading cooperative associations other cooperative enterprises grew up, initiated through the agricultural societies, such as community grazing, community hall, community breeding associations. It was the duty of the Cooperative Organizations Branch to train all into observing the Agricultural Cooperative Associations Act strictly and into keeping books properly, e.g., by making due allowances for depreciation. Specimen bookkeeping sheets were circulated to no less than 5 different types of cooperative associations.

In the period under study, cooperative associations on the provincial scale grew apace under the guidance of the Government. The part played by the Grain Growers' Association as a central purchasing and selling agency for the local cooperative associations has been already mentioned. The Saskatchewan Cooperative Elevator Co. continued to function, marketing the farmers' grain. In 1914 the Cooperative Organizations Branch began to market wool at cost, and incidentally to train the wool-producers into the proper care and handling and packing of wool and to direct their attention to the most profitable types of sheep, at once for wool and mutton. As the Canadian wool merchants refused to give reasonable prices, the wool was, in 1918, consigned to the National Wool Warehouse and Storage Company, an American wool growers' cooperative selling agency and sold on commission to the satisfaction of the branch. The growth of the transactions in wool may be gauged by Table XIII. It will be remembered that the price of wool soared during the war.



TABLE XIII—CONSIGNMENTS OF WOOL TO THE CO-OPERATIVE ORGANIZATIONS  
BRANCH, SASKATCHEWAN DEPARTMENT OF AGRICULTURE\*

YEAR	NUMBER OF CONSIGNMENTS	POUNDS	AVERAGE PRICE PER POUND (cents)
1914. . . . .	179	69,404	17¾
1915 . . . . .	318	150,328	25
1916. . . . .	487	179,890	32½
1917. . . . .	623	223,445	65
1918. . . . .	916	394,068	61½
1919 . . . . .	1,105	553,388	...

\* Report of Department of Agriculture, Saskatchewan, 1920, p. 205

In 1920 the Minister of Agriculture met with the Saskatchewan shareholders of the Canadian Co-operative Wool Growers and explained that the wool marketing work had been undertaken primarily as a demonstration of what could be accomplished through coöperation in marketing and, that having been accomplished, he was anxious that the company should assume the work. Accordingly the Canadian Co-operative Wool Growers, Ltd. opened a western office in Regina under the name of the Manitoba and Saskatchewan branch of the Canadian Co-operative Wool Growers, Ltd. and took over the marketing of the wool of the Province.

TABLE XIV—OPERATIONS OF SASKATCHEWAN CREAMERIES, 1907-1917\*

YEAR	NUMBER OF FARMERS SENDING CREAM	POUNDS OF BUTTER MANUFACTURED	GROSS VALUE (dollars)
1907	213	66,246	16,068 96
1908	553	220,282	53,176 61
1909	876	324,404	80,286 10
1910	1,166	462,221	112,275 24
1911	1,596	703,583	168,040 24
1912	1,755	649,958	179,184 28
1913	2,681	850,525	229,405 58
1914	3,625	1,398,730	294,937 47
1915	5,979	2,012,401	558,010 49
1916	7,205	2,538,061	771,092 36
1917	8,126	2,482,400	966,152 05

\* Report of Department of Agriculture, Saskatchewan, 1919, p. 163.

Similarly the local government since Territorial times had been operating creameries and selling the produce, the profits being returned to the producers. Steady progress is shown by the statistics (Table XIV). Now that the Government had proved the possibility of the industry, and by all sorts of competitions had shown the farmers the value of securing the best dairy cattle for their herds, it was ready to put the business into the hands of the milk producers themselves. In 1917 an Act incorporated the Saskatchewan Cooperative Creameries, Ltd. All the milk producers became shareholders in the company, which took the place hitherto held by the Dairy Branch of the Department of Agriculture.

It has been seen that the Dairy Branch of the Department of Agriculture undertook to purchase chickens, fatten them at certain creameries, and place them on the markets, the farmers receiving the profits after costs were paid. Cold storage was found by the creameries. In 1914 there were 3 fattening stations at as many creameries and 5 demonstration stations. In that year the educational activities were placed in the charge of the College of Agriculture. Dairy cars were sent out in successive years along various railway lines. In 1915 a baggage car fitted up as a receiving and killing station was added. Some 34 points were visited. Farmers offering chickens of the required grades received provisional payments on the spot. The chickens were marketed by the Co-operative Organization Branch and final payment made. Every cent realized from the sale of the birds, less cost of boxes, transportation, and storage charges, was returned to the farmer. By 1919 the education of the farmers was considered sufficiently achieved to enable the Government to hand over the poultry marketing to the Saskatchewan Co-operative Creameries, Ltd., the educational work being continued by the College of Agriculture. "This transfer was in line with the general policy of the Department which is to inaugurate and carry on undertakings of this kind only to demonstrate the usefulness of the project and then to turn the work over to any cooperative organization of producers that is in a position to carry it on in a satisfactory manner." An amusing piece of education was "Rooster Day." It was devised to impress upon the raisers of poultry that only infertile eggs, which keep much longer than the fertile, were wanted by the market. June 9, 1919, was proclaimed as the day for killing roosters, and a prize—a gold watch—was offered to the party who would send in the

largest number of executed male birds. June 9th was a bloody day in the poultry yards.

Similarly the Government transferred the hail insurance to a cooperative organization. At the instance of the Grain Growers' Association, the Hail Insurance Act was passed in 1912. Municipalities were empowered to collect a special tax, not to exceed 4 cents per acre, on all land in the municipality. All the crops of the municipalities placing themselves under the Act would be automatically insured. Damages were to be paid at 5 cents per acre for each per cent. of damage suffered. The proceeds of the tax in the several municipalities were to be pooled and administered by a Hail Insurance Commission under the direct control of the Government.

It is not possible here to complete the picture of the cooperative schemes even of Saskatchewan, much less of Manitoba and Alberta.<sup>8</sup> Enough has been said to show how deeply rooted the faith in cooperative enterprises was.

The most grandiose of all the cooperative schemes was the Wheat Pool. During the war the Dominion Government appointed the Board of Grain Supervisors to control the wheat crop. The price of the wheat (No. 1 Northern) of 1916 not yet marketed on August 1, 1917, was fixed at a maximum of \$2.40 at the Lakehead. From Sept. 12, 1917, to August 31, 1918, the fixed price was \$2.21. The grain was sold to the Wheat Export Company, functioning for the British Government in Canada. The next year the Canada Wheat Board set up by the Dominion Government marketed the crop. An initial payment of \$2.15 a bushel No. 1 Northern was made and when the crop was sold an additional 48 cents was paid. When the Wheat Board came to an end there was much agitation in favour of its reconstitution. When this proved in vain, the farmers turned their efforts to forming Wheat Pools. It was felt that success would only be possible if the members of the pools contracted to place their crops at the disposal of the pool for five years, the penalty for breach of the contract being set at 25 cents a bushel. It was also considered that the crop of at least 50 per cent. of the acreage should be brought to the pool. As the farmers proved reluctant to bind themselves down to a contract for five years, it was not possible to get the scheme into operation in 1923, the year of its initiation. By 1924 Saskatchewan had reached the

<sup>8</sup> See W. A. Mackintosh, *Agricultural Coöperation in Western Canada* (Toronto, 1924), and Patton *Grain Growers' Coöperation in Western Canada* (Cambridge Harvard University Press, 1929).

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TABLE XV—HOMESTEAD ENTRIES IN THE PRAIRIE PROVINCES BY NATIONALITIES,  
1912-1926\*

Nationality	1912	1913	1914	1915
Canadians, including those returning from U.S.	9,942	7,641	6,798	5,003
Other British subjects	7,287	5,631	5,385	4,159
Americans . . . . .	10,577	8,895	7,172	4,286
Other Nationalities . . . . .	9,213	7,863	8,063	7,001
Persons who had previous entry	2,132	3,669	4,411	3,639
Total . . . . .	39,151	33,699	31,829	24,088

Nationality	1916	1917	1918	1919
Canadians, including those returning from U.S. . . . .	4,472	3,500	2,673	1,394
Other British subjects . . . . .	3,408	2,173	1,331	911
Americans . . . . .	2,416	1,734	2,084	870
Other Nationalities . . . . .	3,955	2,150	1,144	606
Persons who had previous entry . . . . .	2,779	1,642	1,087	446
Total . . . . .	17,030	11,199	8,319	4,227

Nationality	1920	1921	1922	1923
Canadians, including those returning from U.S. . . . .	2,156	1,608	2,165	1,639
Other British subjects . . . . .	1,778	1,188	1,092	787
Americans . . . . .	1,318	1,072	1,505	1,019
Other Nationalities . . . . .	605	650	1,641	1,054
Persons who had previous entry . . . . .	875	871	946	844
Total . . . . .	6,732	5,389	7,349	5,343

Nationality	1924	1925	1926	Totals
Canadians, including those returning from U.S. . . . .	1,277	1,124	1,381	52,773
Other British subjects . . . . .	558	482	555	36,725
Americans . . . . .	639	627	842	45,056
Other Nationalities . . . . .	779	784	1,211	46,719
Persons who had previous entry . . . . .	590	636	696	25,263
Total . . . . .	3,843	3,653	4,685	206,536

\* Compiled from *Reports of the Department of the Interior*.

objective. Although Manitoba and Alberta were still something short, yet the scheme was inaugurated. In each province a wheat pool was incorporated by law, and the Canadian Co-operative Wheat Producers Ltd. was incorporated to act as a central selling agency. The pools did not buy the farmers' wheat. They simply sold it. An initial payment was made on the delivery of the grain, a second in the spring before seed time and a third when the crop was completely disposed of. In 1925 there were 69,000 members in the Saskatchewan pool, representing an acreage of 9,331,700 acres. In Alberta the membership was 33,000 with 3,231,000 acres. From the small wheat area of Manitoba, 15,000 members were drawn, representing 1,018,000 acres. More than 60 per cent. of the wheat area of the three provinces was committed to the pools.

#### *5. Progress in Productivity, 1901-1926*

It is in order now to view the results of these many-sided activities and organizations of the Dominion and Provincial Governments and of the farmers themselves and to note the progress of the country in productivity and in diversified farming. The increase in the volume of produce was in the first place due to the great immigration. The total of the migrants into the three Provinces from the fiscal year 1900-1901 when the era of prosperity began to 1925-1926 was 562,876 to Manitoba and 1,085,496 for the area covered by Saskatchewan and Alberta, making a grand total of 1,658,372. A portion of these, of course, went to the towns. A closer view can be got from the statistics of the homestead entries, which are given in the reports of the Department of the Interior according to the nationality of the entrant. By consolidating the nationalities, and separating out the "Persons who had previous entry" but whose nationality is not given, we get figures for 1912-1926 as in Table XV.

In the years 1902-1926 the Canadians who homesteaded numbered 142,008; the British subjects were 95,063; the Americans were 138,510 and the Europeans 102,033. (With those who made fresh entries the grand total of homestead entries was 527,015.) There were but 3,498 fewer American homesteaders than Canadian, and 43,447 more than British subjects from overseas. As a large proportion of the American settlers were dry farmers, and many settled in the semi-arid areas, e.g., between Eatevan and Regina, between Regina and Saskatoon, and in southwestern Saskatchewan and southern Alberta, and in most cases made those areas blossom as

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the rose, they may be said to have contributed more than any other nationality to increase the productivity of the Canadian Northwest.

The settlers came in, for the most part, to grow wheat. As the crop measured by bushels varied according to the seasons, the best rough measure of the growth in productivity will be the acreage in wheat.

TABLE XVI—GROWTH OF ACREAGE IN WHEAT BY PROVINCES

Province	1905	1910	1915	1920	1925
Manitoba . . .	2,417,253	2,979,734	3,342,900	2,705,622	2,220,100
Saskatchewan	1,376,281	5,256,474	6,838,100	10,061,069	13,002,741
Alberta .	147,835	1,639,974	1,563,700	3,089,700	5,719,749
Totals..	3,941,369	9,991,281	11,744,700	15,856,391	20,942,590

The great increase between 1915 and 1920 is due to war prices and to the introduction of machinery, and that between 1920 and 1925 is due less to the prices, though they continued good, and more to the mechanization of the farms. The table of average prices for the years 1910-1925 shows the influence of the war.

TABLE XVII—AVERAGE YEARLY (Jan.-Dec.) PRICE OF WHEAT (No. 1 NORTHERN) AT WINNIPEG, 1910-1925  
(Cents per bushel)

1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925
94	97	87	98	128	138	220	222	221	220	164	123	108	127	164

The average price from 1910-1916 was \$1.07; for the four years 1917-1920, which may be considered as essentially war years was \$2.21, for the five years, 1921-1925, \$1.37.

Over the same period there has been substantial growth in the livestock industries.<sup>9</sup> The first settlers, indeed all the settlers, exception being made of the ranchers in southern Alberta, came in obsessed with grain growing. The fact that the margin between the moisture necessary for successful wheat growing and drought is so narrow made the raising of livestock a necessary insurance

<sup>9</sup> On trends in prairie agriculture, see Vol V in this series.

against crop failure. It was not, however, until the Provinces had got the administrative machine for educating the farmers into running order from, say, 1915, that the trend towards diversified farming became marked. For example, in Saskatchewan the increase in the number of milch cows in the five years 1905-1910 was but 70,928; from 1910-1915, 112,445; while from 1915-1920 it was 426,946. Similar progress was made in Alberta. In Manitoba there were actually decreases in 1905-1910 and 1910-1915, but a marked increase in 1915-1920.

Some of the increase in diversified farming must, however, be attributed to the growth of the towns. Dean Mackenzie, of the College of Engineering in the University of Saskatchewan, has carried through an illuminating research on the relation of the growth of the urban population to that of the rural, in the agricultural areas of the continent. "In agricultural states the rural population seems to grow according to a sinusoidal curve . . . . The urban centres on the other hand get their greatest growth after the agricultural land has filled up." Their growth is represented by a straight line inclining upward.

As the settlers became established their purchasing power increased. Manufacturing and distributing companies, realizing that a prosperous and permanent market was being built up and could be served more economically at close range, opened up wholesale houses and branch factories in local centres; to this impetus was added the need and opportunity for financial institutions, professional services, governmental departments, printing establishments, industries using the local products as raw materials, and the many other activities of advancing civilization.<sup>10</sup>

It is not possible here to offer the statistics which support this generalization, suffice it to say that net value of the manufactured products of the Prairie Provinces increased from \$14,000,000 in 1901 to \$108,000,000 in 1926.<sup>11</sup>

The towns have not only consumed some of the products of diversified farming. They have afforded the means of marketing those products farther afield. The value of a great city like Winnipeg to the province of Manitoba, and indeed to all the three Prairie Provinces needs no more than mention. Beside the large returns from his wheat crop, the farmer has received returns from his livestock in cash more or less throughout the year, and particularly at times when it has been most needed.

<sup>10</sup> C. J. Mackenzie, *Predicting the Future Population of Western Canada* (a paper presented before the Edmonton, Calgary, and Lethbridge branches of the Canadian Institute of Engineering, January 1931).

<sup>11</sup> *Canada Year Book, 1932*, pp. 312-314

The period, 1915-1925, judged by the actions of the farmers, was a happy one, taken as a whole. So far from being dissatisfied with the land they were land hungry. Many were lured into doubling and even trebling their estate by the belief that with the aid of machinery they could profitably farm on a major scale, and ran into indebtedness for the land and for machinery. Many who had mortgages showed no fears for the future and acted on the belief that the sun would continue to shine on them and that their indebtedness would be easily carried. Hence the situation of today as revealed by an enquiry of the Farm Management Department of the University of Saskatchewan.<sup>12</sup> In five municipalities typical of different parts of the Province, 90 per cent. of the farmers working their own farms were in debt. The debtors with mortgages were 16.5 per cent.; those indebted with agreements of sale were 61.9 per cent. As most of the mortgages would be for the purchase of the property, about 78.4 per cent. of the debts were due to land acquired. This can only mean that the purchasers were convinced that they could easily bear the burden of their debt. Had they feared the future, purchases would not have been made, and sacrifices would have been taken to clear off indebtedness. The personnel of the administrations and of the colleges were equally without anxiety, save over the dry areas in the southwest of Saskatchewan and in southern Alberta. Crop failures in these regions in 1914, 1917, 1918, and 1919, led to a "Better Farming Conference" at Swift Current in 1920, and dry-farming conventions at Lethbridge. Immediately thereafter the Saskatchewan government appointed the Royal Commission of Inquiry into Farming Conditions<sup>13</sup> with the hope of finding some system of farming which would relieve the distresses of the southwest and save the Government from recurring relief measures. The commission concluded that the greater part of the region was good farming land, that parts unfit for grain farming should be made community grazing lands for cattle, that farmers settled on impossible land should be assisted to good homesteads, that there should be a soil survey of the region, and research to find suitable crops.

After all, this area of distress was but a small part of the province. Accordingly an agricultural conference of provincial and federal officials engaged in instructional, experimental, or administrative work in agriculture and rural progress, which met in Saskatoon in

<sup>12</sup> This research has been conducted by Professor William A. Allen and the results will be published

<sup>13</sup> *Report of the Royal Commission of Inquiry into Farming Conditions* (Regina: King's Printer, 1921).



the following April (1921)<sup>14</sup> laboured under no sense of failure. Its object was to review the past and plan for the future. All the speakers referred with just pride to the progress made in their individual spheres. They pointed out with satisfaction the progress in diversified farming, in the quality of the livestock, and in coöperative marketing. The problems of the future were considered to be the impoverishment of the soil by much cultivation tending to leave it subject to blowing, and the problem of noxious weeds. The issue was a redoubled search for forage plants which should prevent blowing and should put nourishment into the soil, while it would at the same time provide fodder for the livestock. The prevailing note of the conference, however, was that production had increased by leaps and bounds; there was every reason to be satisfied. A modest optimism, based on actual success, may be taken to be the dominant tone in the three provinces in the year 1925, with which this study closes.

The history of the settlement and the development of the agriculture of the West after Confederation has been followed for statistical reasons from census to census. Looked at in the broad, a more illuminating division would be into periods of 15 years. The first period, 1870-1885, was marked by an ignorant optimism ending in disillusionment. In the second period, 1885-1900, the problems of agriculture in a semi-arid land were faced with courage and were partially solved by science and by experience. The third period, 1900-1915, rejoiced in sufficient moisture, and in rising prices for wheat, accompanied by a great rush of immigrants and by a rapid development of the means of transportation. The last period, 1915-1930, opened with the call for greater production of wheat and livestock to meet the necessities of the war. When peace came, satisfactory prices for wheat, the manifest advantages of diversified farming, the urge of the great administrative machinery developed for the training of the heterogeneous mass of settlers, and the development of coöperative methods of marketing produce—all contributed to yet greater production. The acreage in wheat in 1920 was 15,856,391 for the three provinces. In 1925 it was 20,942,590. In 1929 it was 24,277,116. As crop after crop was marketed with tolerable satisfaction no one was found to raise the bogies of over-production and a disastrous fall in prices. Tempted by the ease with which larger and yet larger areas could

<sup>14</sup> Typed verbatim report kindly placed at my disposal by Mr. F. H. Auld, Deputy Minister of Agriculture for Saskatchewan.

be cultivated and harvested by means of machinery, the farmers doubled and even trebled their estates and added to their debts. The result was that the world depression which began in 1930 came as a surprise and brought despair. The farmers' ship loaded to the decks, with all sails set, and a deck load of debts, was suddenly struck by a hurricane. The problem of the coming years is not how to unload the debts, and save the cargo, but how to save the ship and the crew. That is not the business of this study, but it may not be out of place to ask why the storm came so much as a surprise. The answer may throw some light upon the picture of the previous decade as sketched above. The departments of agriculture and the admirable and successful machinery developed by them had their attention absorbed by the problems of the farmers placed in their care. Their one concern was with production—greater and wiser production. In this interest there had been built up a personnel of experts whose guidance of the agriculture of the West is beyond criticism. But there was no organization, no similar band of experts, enquiring into the ultimate result of that greater production—into what is really an integral part of the farmers' business, the potentialities of the market including the probable purchasing power of their customers. Had such existed it is probable that when prices fell in 1921 a cry of alarm would have been raised. The fine organization developed to train the farmers in production could have taken up the cry, and could have urged the farmers with a force unknown to the occasional platonic preachings of economy heard, to sacrifice themselves to clear off their indebtedness, and to reduce costs to the minimum. Human nature being what it is, the farmers might not have heeded. But then again, the hold which the personnel of the provincial administrations have on their public through the conventions, and what not, has been such that the response might have been surprising. The depression has proved that no one is likely to weather the storm as easily as the farmer who has no debts. With a proper organization envisaging the situation ahead, and with insistent preachings, the number of such might have been considerably greater.

As it is, it would appear that the most pressing problems of the coming years will be less concerned with production and more concerned with the trends, not only of the world market, but of world finance, and even with the tariff policies of foreign countries. If it should be that more and more we shall export only our best

wheat, and that we must learn to use our inferior grades to fatten cattle and to produce bacon for the sheltered English market, there is need for some organization as familiar with the European scene as our provincial administrations are with the provincial scene, to guide us through this exceedingly difficult re-adjustment with something like the wisdom with which the provincial administrations have guided the farmers in adjusting themselves to the dictates of our climatic conditions. May we not in the tribulations of the future be forced to create an organization to study the foreign branch of the farmers' business and give him the guidance which our provincial organizations have given him in what makes for successful farming at home? This question is not asked by one who professes to be an expert. It has persistently forced itself upon the writer during the latter part of this study.

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## PREFACE

The transfer of Rupert's Land and the "North-Western Territory" to the new Dominion of Canada in 1870 marked the end of an epoch. For almost exactly two centuries the Hudson's Bay Company had combined the monopolistic interests of the fur trade with varying responsibilities of government. For nearly a century colonial rivalries with New France had forced the Company westward in search of trade routes and waterways uncontaminated by their enemies. When New France too became British in 1763, it became necessary for the first time to establish trading posts in the interior to meet the fiercer British rivalry which sprang up almost immediately from Montreal. It was in the throes of this rivalry that settlement was first established at Red River by the indomitable enterprise of one man. At Selkirk's death in 1820 the feud between the Hudson's Bay and North West Companies was extinguished by the coalition of 1821. For natural reasons and by deliberate design the route by way of Hudson Bay resumed its normal sway over the fur trade, and Canadian expansion west of the Great Lakes came virtually to an end. It was not resumed until the phenomenal expansion of the United States during the fifties and the sixties threatened to "cut them off forever from the Pacific."

The golden age of the Hudson's Bay Company after the coalition of 1821 combined, upon the whole very successfully, the interests of a trading monopoly over the widest range of Indian population, on the continent with a paternalistic technique of government for the primitive Scottish settlement at Red River. But monopoly and paternalism could subsist only in isolation. By 1857 when the Select Committee of the British House of Commons presented its monumental report on the Hudson's Bay Company there were forces from without which jeopardized the Company's sway at every point. One of the most sustained movements of population in all history was rolling westward in the United States: The Illinois Central, endowed by the necromancy of Stephen Douglas with land grants from the public domain, had accelerated this expansion, and the Hannibal and St. Jo soon reached the Missouri. Had the fur-trading technique of the Hudson's Bay Company been

left to cope with this deluge; Red River might have shared the fate of Oregon. The old province of Canada awoke to the menace in 1856, stimulated no doubt by the appointment of the British Select Committee. When the old province of Canada and the Colonial Office, in the ominous shadow of civil war and strained relations with the United States, forged the project of uniting the British provinces in 1864, one of the most coercive factors in the Canadian coalition which sponsored that project was the hope of forestalling the United States in the race for the Pacific. The Clear Grits, the party of the frontier, developed under George Brown a philosophy of westward expansion which won over the Colonial Office in 1865, found a place in the B.N.A. Act of 1867 (s. 146), and effected the transfer of Rupert's Land and the "North-Western Territory" to the new Dominion in 1870.

But if 1870 marked the end of one epoch it also marked the beginning of another. The westward expansion of the new Dominion was a "national necessity", and it could be brought to pass only by policies truly national in their scope. It was determined to retain the public lands as a national appanage to be "administered by the Government of Canada for the purposes of the Dominion". This applied to the new province of Manitoba as well as to the territories beyond. The twin problems of railways and settlement could be solved by no other expedients at that time. These were "good and sufficient reasons of public policy", and they have never been disputed; but the process had consequences that could scarcely have been foreseen. It transformed the Dominion from a federation of equal provinces into an empire with a quarter of a continent of "Dominion Lands" under direct federal administration. For sixty years this vast domain was "administered by the Government of Canada" until the historic "purposes of the Dominion" were fairly achieved, so far as public lands could help to achieve them.

During this period a system of survey was adopted, unsurpassed in its consistency and exactitude. British Columbia entered the Dominion in 1871 on the same footing as the original provinces, and the Canadian federation thus reached the Pacific. The C.P.R., endowed with land-subsidies of 25,000,000 acres from "Dominion Lands", made this transcontinental Dominion a reality. Before the railway land grant system had run its course nearly a dozen railway companies had been endowed with land grants from "Dominion Lands" almost the area of England or the Maritime Provinces. Meanwhile a free-homestead-system, in the interests of rapid settle-

ment, was integrated, by a characteristically Canadian technique, with the railway land grant system, until free lands and lands for sale were to be found in contiguous sections throughout the range of eligible agricultural lands in Western Canada. School lands and Hudson's Bay lands added further characteristic variations to the pattern. After 1908 railway land reserves were formally liquidated and the remaining resources of "Dominion Lands" were thrown open to homestead entry. "Pre-emptions" and "purchased homesteads" perpetuated for another decade, under government auspices, the device of offering lands for sale contiguous to the free homestead. By 1926 scarcely 12 per cent. of the surveyed area of the Prairie Provinces remained unalienated or unappropriated as "Dominion Lands". "The purposes for which the Dominion retained the agricultural lands", wrote the Commissioners on the Transfer of the Natural Resources of Manitoba in 1929, "have now been achieved; the railways have been built and the lands settled."<sup>1</sup> In 1930 the remaining resources were transferred to provincial control with compensation for those alienated "for the purposes of the Dominion." The epoch which began in 1870 thus came to an end in 1930. The present survey is an attempt to appraise this cycle of "Dominion Lands" in the development of Western Canada.

For "Dominion Lands" policy as for the premature expansion of the Dominion itself the prototype in almost every feature is to be found in the United States. But while the premature expansion to the Pacific, and its corollary, the building of a transcontinental railway on Canadian soil, were forced upon the Canadian federation by the march of "manifest destiny" south of the boundary, the technique of land policy and in no small measure even the personnel of land settlement involved no such antipathies. Seldom has such a wealth of experience been appropriated with such abounding good will and admiration. The sectional survey and the railway land grant system; the free-homestead system, school lands, "swamp lands", and pre-emptions; above all the insistence upon federal control "for the purposes of the Dominion"; all these attest the American prototype, though the analogies, as we shall see, were almost destroyed, as a rule, by the differences in adaptation and practice.

In many respects the time is now opportune to appraise these features in retrospect before the plea of necessity has altogether faded from the background. Both cardinal features of "Dominion

<sup>1</sup> Report of the Royal Commission on the Transfer of the Natural Resources of Manitoba (Ottawa: King's Printer, 1929), p. 41.



Lands' policy—the railway land grant and the free homestead—were products of the North American environment. For twenty-two years, from the Illinois Central in 1850 to the Chicago and Northwestern in 1872, the railway land grant system ran riot in the United States until it was swept away by a disillusioned frontier. It was appropriated in Canada just as it was passing away in the United States; and for almost exactly the same period of time, from the first C. P. R. project of 1872 to the land grants to the Pipestone Extension of the C.P.R. and the Saskatchewan and Western of 1894, it may be said to have dominated "Dominion Lands" policy. But the odium in which the system disappeared on both sides of the boundary has been curiously tempered since that day by several unsuspected virtues; and conversely the results of the free-homestead system which carried the fame of North American land settlement to every quarter of the world are now open to many a sobering reflection. After sixty years of expansion and settlement under "Dominion Lands" policy, the Prairie Provinces are now turning to less spectacular problems of readjustment. The second epoch has come to an end but it is not so easy to forecast the third which is now beginning. Fortunately the function of this survey is retrospect rather than prophecy. It is possible that the historian of 1990 in reviewing the intervening sixty years may be able to detect an epoch as clearly marked as the cycle of "Dominion Lands" which came to an end in 1930. In any event, it is safe to say, the cycle of "Dominion Lands" will leave its mark for generations to come upon the pattern of land settlement in Western Canada.

The present survey, which was almost completed a few years after the Manitoba Resources Commission, has since been revised in almost every detail in order to include the invaluable results of the Saskatchewan and Alberta Commissions. While the conclusions have not been materially changed, the statistics which resulted from the compilation of records and exhibits for the later commissions may fairly be regarded as definitive. The author's indebtedness to these will be obvious, but no general acknowledgment will suffice without a reference to more personal obligations. To Mr. Oliver Master, the indefatigable secretary of all three Commissions, and above all to Mr. Justice Dysart through whose indulgence I have had access for many months to these invaluable records, my thanks are especially due. To Ministers and Deputy Ministers of the Department of the Interior and to other officials of that department I must add my respects. At a time when their duty was heavily

mortgaged to their own exacting research for the Resources Commissions, Mr. Hume and Mr. Clifford, and later on Mr. Atwood (now Deputy Minister of Natural Resources for Manitoba) found time to direct me to much valuable material. Mr. R. G. Riddell and Mr. H. M. Morrison who held fellowships from the Canadian Frontiers of Settlement Survey have both completed theses on several aspects of land policy to which reference, with my thanks, will be found elsewhere in this volume. To Mr. F. H. Peters, Surveyor-General of Canada, my thanks are due not only for material used in preparing maps and graphs but for many valuable suggestions in cartography. To my wife I owe a debt of gratitude for lightening the burden of a voluminous and highly technical index upon which the value of a book like this so largely depends.

The eclipse which has overspread so many features of Western Canadian land settlement during recent years of drought and depression has brought poignant problems and responsibilities to the Prairie Provinces at the very outset of provincial administration. The spirit of that remarkable community is in itself a superlative national asset. The present survey is concerned primarily with land policies, but the results are to be appraised in the last analysis in terms of living people. From their courage and resourcefulness have come the achievements of the past. In their faith may still be found a promising augury for the future.

C.M.

UNIVERSITY OF TORONTO,  
September, 1937.

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## CHAPTER I

### THE HUDSON'S BAY COMPANY

#### *1. Chartered Rights*

THE sixty years of legal and political controversy under Canadian auspices, now closed by the transfer of public lands in the Prairie Provinces to provincial control, were preceded by two centuries of more precarious conflict under the Hudson's Bay Company. Proprietary rights in Rupert's Land under the Charter were periodically impugned by critics in Great Britain, by trade rivals in the Canadas, and finally by the government itself in the united province of Canada. For generations it had been the official policy of the Colonial Office to leave the mysteries of the Hudson's Bay trade to "salutary neglect". The extravagant claims of Canadian interests and finally of official policy in Canada have thus survived in Canadian tradition, undisputed by a single decisive action in the courts. This was the spirit in which Canada approached the transfer in 1870, and it is perhaps necessary to reaffirm at the outset, with added emphasis, the official British view with regard to the proprietary rights of the Company. For four-fifths of its history the Canadian West has not been "Canadian" at all, and the land policy, if such it could be called, of the Hudson's Bay Company, was as distinctive as its charter.

The proprietary rights of the Company, though never tested in the courts, were supported by the overwhelming weight of legal and official opinion. The Charter, older than that of Pennsylvania, was a marvel of legal draftsmanship. Selkirk's grant of Assiniboia in 1811, the first practical project of settlement under the Charter, was fortified not only by the best legal advice in Great Britain but by Daniel Webster and other distinguished counsel in the United States. The Canadian Nor' Westers and the X Y Company<sup>1</sup> who had impugned the rights of the Hudson's Bay Company for a

<sup>1</sup>The chief rival of the Hudson's Bay Company was the North West Company of Montreal, dominated until 1804 by Simon McTavish. A second rival, the X Y Company, was also Canadian in its origin, but it included Sir Alexander Mackenzie and Edward Ellice in its personnel and much British capital in its resources. At the death of Simon McTavish the two Canadian companies were reunited as the North West Company.

whole generation became the staunchest champions of the Charter after the coalition of 1821. Before the Select Committee of the British House of Commons, Edward Ellice gave evidence in 1857:

I have taken the opinion of every lawyer against the company when I was opposed to them, and for the company since I have been connected with them. . . . The law officers have been consulted upon every occasion by the Colonial Office when this question has come under discussion, and I think the universal opinion, without an exception, of these eminent lawyers is, that the proprietary

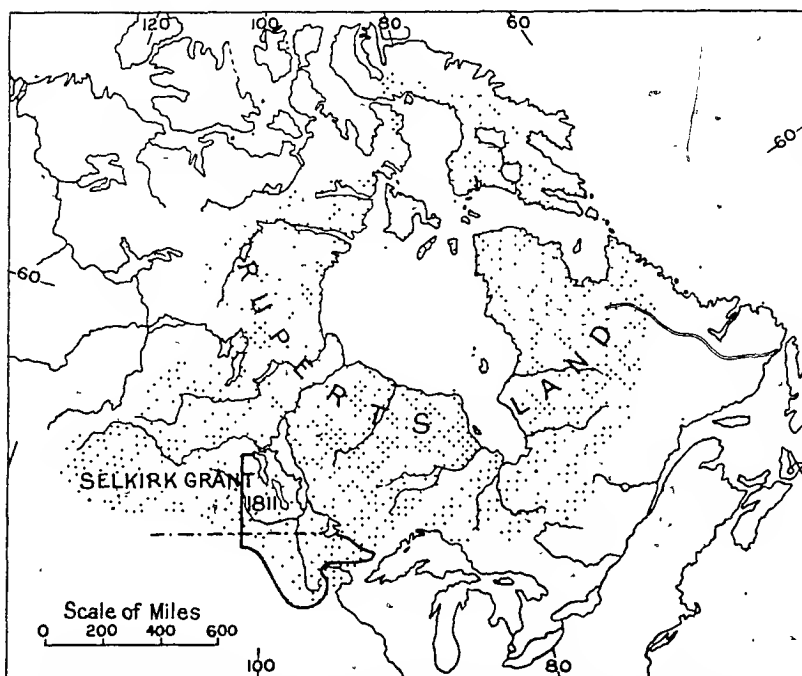


FIG. 1—Map of Rupert's Land, the area of the Hudson Bay watershed claimed by the Company under the Charter of 1670. The "North-Western Territory" was held by licence of 1821, renewed for twenty-one years in 1838.

rights of the company cannot be disputed. . . . None of these eminent lawyers, and no lawyer whose opinion I have ever heard quoted, either for or against the company, or taken either for or against them, have expressed the least doubt as to the proprietary rights granted under the charter.<sup>2</sup>

The Canadian Government itself, confronted at last by a stated case from the Colonial Office for "testing the validity of the Charter by *scire facias*" wisely declined the ordeal and relied upon parlia-

<sup>2</sup>Report from the Select Committee on the Hudson's Bay Company, *British Parliamentary Papers*, 1857, pp. 327-328.

mentary action as both cheaper and less precarious than litigation.<sup>3</sup>

Not only the chartered rights but the boundaries (Fig. 1) claimed for Rupert's Land might perhaps have been vindicated by equally conclusive evidence. It is true that French claims, inherited by Canada after 1763, had been established by the Treaty of Ryswick in 1697 to the area in actual French possession at that time; and this, as the shrewd French diplomatists alone were in a position to know, included all but three posts, since the secret expedition of Iberville, despatched for that purpose, had very nearly driven the British from the Bay. It was the Canadian claim that the Treaty of Utrecht which reversed these fortunes in 1713 was a reconquest not for the Company but for the Crown. Upon this specious fiction were built the most extravagant claims for Canadian expansion to the Pacific. It is now known that Governor Kelsey after the Treaty of Utrecht bore Queen Anne's Commission to retake possession not only "for Us and In Our Name" but "for the use and benefitt of the Govr. & Compy of adventurers of England tradeing into Hudsons Bay."<sup>4</sup> The Commission to settle the boundaries between Rupert's Land and New France never brought in a report; but since the Hudson's Bay claims were supported by the Crown after 1713, and since New France itself became British in 1763, the British contention, it is reasonable to conclude, must be held to have prevailed. In truth the archaic phrases which have recently vindicated before the Privy Council the claims of Newfoundland to the whole hinterland from the "coasts" of Labrador appear nowhere more convincingly than in the Charter of 1670 for the "coasts and confines" of the Hudson Bay watershed. For our purposes here the outcome may be taken as conclusive. The rights of the Company were surrendered to the Crown on June 22, 1870, with compensation to the Company, and were transferred to Canada on July 15, 1870. In drafting the Rupert's Land Act for these purposes, the Colonial Office finally put itself on record:

The Company have held their Charter, and exercised privileges conferred by it, for 200 years, including rights of government and legislation, together with the property of all the lands and precious metals; and various eminent law officers, consulted in succession, have all declared that the validity of this Charter cannot justly be disputed by the Crown.<sup>5</sup>

<sup>3</sup>Papers Relative to the Hudson's Bay Company Charter, *British Parliamentary Papers*, 1859, p. 5

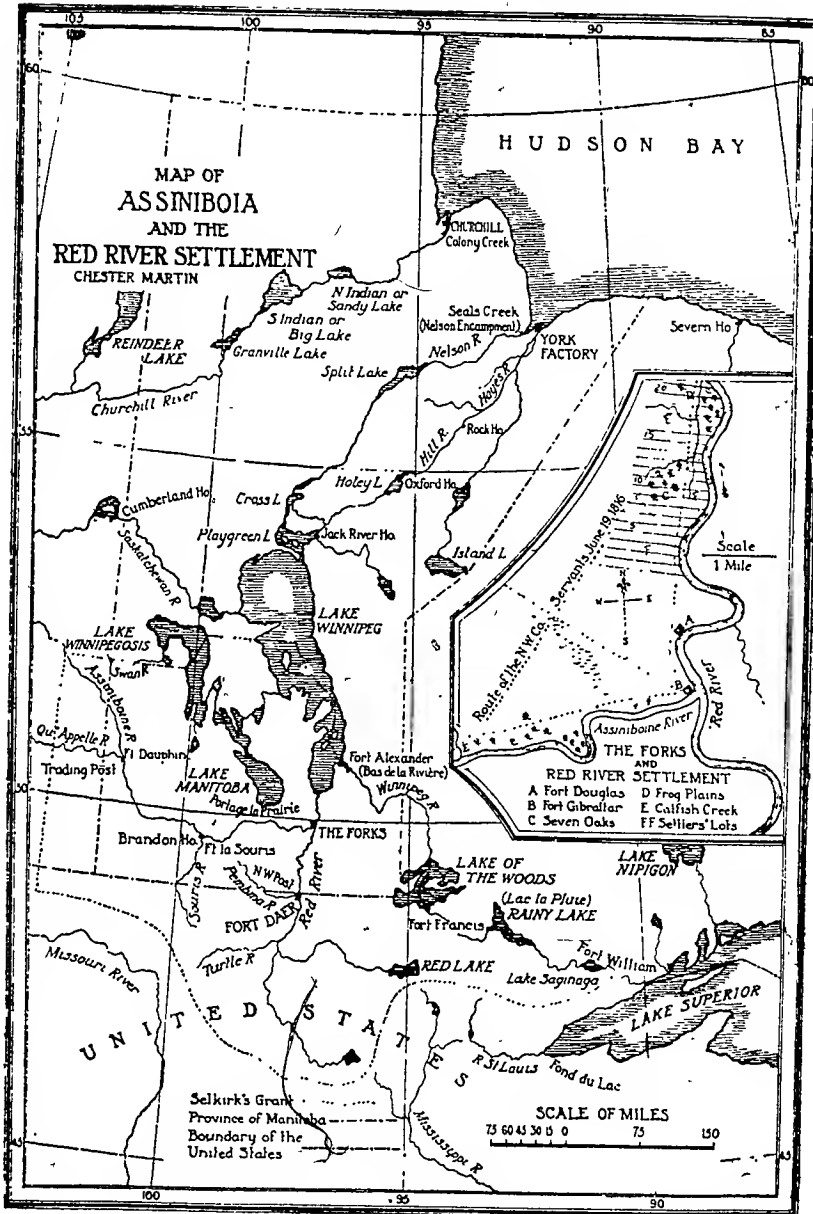
<sup>4</sup>*The Kelsey Papers*, with Introduction by Arthur G. Doughty and Chester Martin (Ottawa: Public Archives of Canada, 1929), p. XXVIII.

<sup>5</sup>Correspondence Relating to the Surrender of Rupert's Land, *British Parliamentary Papers*, 1869, p. 12.

## 2. *The Selkirk Régime*

For nearly a century and a half the Company attempted no systematic colonization in Rupert's Land. For the first serious project of settlement at Red River, in 1802 Selkirk had proposed to buy out the Charter altogether and to deal with the problems of Irish disorder after the Union by a tolerant and generous scheme of supervised emigration. "I should not hesitate", he wrote to the Colonial Secretary, "to devote my fortune and the best years of my life to carrying this project into operation." The government, however, proved hostile to emigration "at all *en masse*". The generosity and toleration which Selkirk advocated for Ireland after the Union was not forthcoming. The policy of "salutary neglect" for the Hudson's Bay Company was still in the ascendant. For seven years Selkirk turned to Prince Edward Island and Upper Canada; and when he reverted in 1809 to his plan of settlement at Red River, he sought under the Charter itself the freedom and latitude which could not be sanctioned by the government. For a time there were prospects of inducing the Company itself, without forgoing its dominant interest in the fur trade, to undertake settlement as a major policy under the Charter. With a controlling interest in the Company it was easier, however, to coerce than to persuade. From officials in Rupert's Land the opposition was insidious and uncompromising. Directors in London remained critical and unconvinced. In the end Selkirk himself agreed "to take upon himself the charge of forming the intended settlement on condition of the Company granting him a sufficient extent of land to afford an indemnification for the expense." Thus it was that settlement began in the West, and Assiniboia, an area of 116,000 square miles, commanding the most important ganglion of waterways west of the Great Lakes, was selected in 1811 for the new venture (Fig. 2). The boundaries were as follows:

Beginning on the western shore of the Lake Winipic otherwise Winnipeg at a point in fifty two degrees and thirty Minutes north latitude and thence running due West to the Lake Winipigoos otherwise called Little Winnipeg then in a Southerly direction through the said Lake so as to strike its western shore in latitude fifty two Degrees then due west to the place where the parallel of fifty two degrees North Latitude intersects the western branch of Red River otherwise called Assiniboyne River then due South from that point of intersection to the height of land which separates the waters running into Hudson's Bay from those of the Missouri and Mississippi then in an Easterly direction along the height of land to the source of the River Winipic or Winnipeg . . . thence along the main stream of these waters and the middle of the several Lakes through which



(Courtesy of the Clarendon Press, Oxford)

FIG. 2—Map of Assiniboia and the Red River Settlement, granted to the Earl of Selkirk in 1811 by the Hudson's Bay Company.



they flow to the mouth of the Winipic River and thence in a Northerly direction through the middle of Lake Winipic to the place of beginning.<sup>6</sup>

Selkirk's original plans were soon submerged beneath the tragic fortunes of the fur trade. The early surveys, with frontage on the river and two-mile strip to the open prairie, survived the Hudson's Bay period to appear in the "parish and river lots" of the Canadian system after 1870. Elaborate plans for sale of lands at nominal prices, for experimental farms and the importation of Spanish Merino sheep from Selkirk's own estates in Kirkcudbrightshire, were overwhelmed by the "pemmican war" with the North-West Company. When Selkirk visited the settlement in 1817 he waived payment from the staunch Kildonan settlers, and laid out sites for mills, roads, schools, and church, with foresight "so correct and unerring . . . that nothing planned at this early date could in after years be altered to advantage". An Indian treaty,<sup>7</sup> was drawn up (July 18, 1817) to extinguish the Indian title at the Settlement. After Selkirk's death in 1820, Lady Selkirk and Halkett his brother-in-law struggled valiantly to vindicate the project of Assiniboia. Two experimental farms, a Buffalo Wool Company,<sup>8</sup> a tallow company—both by-products of the buffalo hunt—herds of cattle and flocks of sheep from the United States, and a variety of enterprises for supplying flour, butter, and clothing to the trading posts of the Company, all prospered indifferently or came to grief in an atmosphere, as more than one official thought, of "pampered dependency". By the close of the Selkirk period, however, the vicissitudes of trade-war and locusts and a disastrous flood (1826) had passed into tradition. The Red River Settlement had reached primitive prosperity and "undifferentiated comfort".

Three features are discernible from this first period of land settlement in the West. In the first place the existence of settlement at all was the work of one man. Selkirk carried the directorate into his project at Red River in defiance of their dominant interests in the fur trade. His own relatives were bitterly critical. Lady Selkirk alone, perhaps, gave it loyal and unfaltering support, while her brother in the Company wished the Red River Settlement "had been in the Red Sea 20 years ago". Nor' Westers from Canada,

<sup>6</sup> Chester Martin, *Selkirk's Work in Canada* (Oxford: University Press, 1916) p. 203.

<sup>7</sup> For text see Morris, *The Treaties of Canada with the Indians of Manitoba and the North-West Territories*, Appendix, 299ff.

<sup>8</sup> The first and surely the most bizarre industrial venture of the West. Lady Selkirk introduced the buffalo wool shawl into Scottish society but though remarkably soft and durable it would not take the vegetable dyes of those days.

convinced that it would "strike at the very existence of our trade", twice destroyed the Settlement and affected to believe that its projector was "governed by the moon". At the coalition with the Hudson's Bay Company in 1821 they stipulated at first its removal to Canada, and finally acquiesced grudgingly, not without "the most rancorous hostility", in its survival at Red River. "Every Gentleman in the Service, both Hudson's Bay and North-West," wrote Governor Simpson, was "unfriendly to the Colony".

But while Selkirk's policy for Assiniboia seemed to defy many of the normal physical and economic controls of permanent settlement, there was a method in it which was vindicated, beyond all expectation, by the ultimate results. Though his work, and in the end his life itself, were sacrificed "to the Moloch of the fur trade", it was a business, as he once wrote to Lady Selkirk, "which I hate from the bottom of my heart." Estimated in its true context—Selkirk's published writings, his private correspondence with his own family, and his activities in Great Britain, Prince Edward Island, the United States, and Upper Canada—the project for Red River originated in a double purpose. One was to provide an outlet, unhampered by the prevailing religious and social prejudices of his day, for the inevitable emigration from Ireland and the Scottish highlands. The second was to deflect this emigration, since it could not be stopped, from the United States to the British provinces in North America. In that sense Assiniboia was successful out of all proportion to its area or population. The westward and northward migration in the United States during the fifties and sixties was one of the great people-wanderings of history; and the fate of Oregon would almost certainly have been anticipated or repeated for the central prairies had it not been for this vested interest of permanent settlement at Red River.<sup>9</sup>

Beyond these major interests, however, Selkirk's plans were based upon empirical advantages never perhaps adequately appreciated. The chief staple exportable product anticipated at Red River seems to have been wool; and the score of choice Merino sheep that went out with the first party belonged to the same breed which was already revolutionizing land settlement in Australia.<sup>10</sup> For the primitive needs of pioneer life, moreover, the western prairies were supplied in abundance. The younger Henry describes in his journal the annual migration of buffalo for three days past

<sup>9</sup> See Martin, *op. cit.*, pp. 180 ff.

<sup>10</sup> See S. H. Roberts, *History of Australian Land Settlement* (Melbourne: 1924), pp. 151 ff.

his post at Pembina, filling the horizon as far as the eye could reach. The Nor' Westers prepared regularly from thirty to fifty tons of pemmican each season for the fur brigades of their Company. Whitefish, titameg, and sturgeon teemed at that time in the waters of the Red and the Winnipeg rivers. It was precisely because life in Assiniboia was so easy, so primitive, and so remote, that it remained for so many years so unenterprising. The simple comfort to be found at Red River during the half-century of its greatest isolation is a commentary upon these conditions. For a primitive people it was "the golden age of the Settlement".

For the Company there were more plausible arguments which Selkirk urged with varying effect in advocating settlement under the Charter. He undertook to secure in the process of directed emigration a steady supply of apprentices for the personnel of the fur trade. A prosperous settlement at Red River, moreover, vindicating alike the proprietary and judicial chartered rights of the Company, would be in a position to supply the trading posts of the fur trade with provisions from the strategic centre of their vast domain in Rupert's Land. And finally, the factors, traders, and "postmasters" of the Company could find at Red River a congenial retreat after their retirement from the fur trade. By the terms of the Selkirk grant one-tenth of the district of Assiniboia was to be available for retired servants of the Company. The churchyards of St. John's and the parishes of St. Paul's and St. Andrew's north of the Settlement at Kildonan still attest their Hudson's Bay origin; and beyond a doubt the excellent schools and churches of the primitive settlement owed much to the austere influence of officials accustomed to "the Hudson's Bay manner".

Viewed in retrospect the single decade of Selkirk's influence was scarcely less than epochal for the history of the Canadian West. Settlement at Red River in 1811 was a precarious venture. It invited the widest range of opposition, and its origin is now traceable to the inflexible initiative of one man. With Selkirk's death, it disappeared as a constructive policy of the Company; but though the fur trade resumed its mysterious sway at the coalition of 1821, the interests of permanent land settlement were never again to be dislodged. The fur trade, as the Directors agreed, was not "to oppose or oppress the settlement"; neither was the Settlement to impair the Company's monopoly of the fur trade. Selkirk's own grant had specifically precluded "any Trade or Traffick in or relating to any kind of Furs or Peltry". But every approach of

the American outposts on the Missouri jeopardized the monopoly. If settlement could neither be augmented nor abolished, it was necessary at least, in the interests of the fur trade, for the Company to resume control. In 1834 the sixth Earl of Selkirk came of age; and Lady Selkirk, still inflexibly loyal to "the Selkirk tradition" in Assiniboia, was assured that the Settlement was at last secure and prosperous. "Peace and plenty", wrote Governor Simpson, not perhaps without Hudson's Bay finesse, "may be said to be its motto". The local governor at Red River added his idyll of wheat-fields "rich and flourishing", of cattle like "herds of Buffalo", of "stacks and laden carts", and an "ensemble of landscape perhaps nowhere to be equalled". In return for £15,000 of Hudson's Bay stock the Settlement quietly reverted to the Company. The Council of Assiniboia, with the Governor of Rupert's Land or the Chief Factor at Fort Garry in the chair, could now safeguard not only the trade but the land policy, if such it could be called, in Assiniboia. The boundaries were changed from the meticulous detail of Selkirk's grant to a circular tract with radius of fifty miles from Fort Garry. The second phase of the Hudson's Bay period thus begins with the fur trade not only dominant but paramount. It was more than a generation before the reascendancy of settlement vindicated Selkirk's early forecast of 1802, and overrode the Charter itself in the march of a national federation across the continent.

### 3. *Settlement versus Fur Trade*

For several years the subtle policy of the Company in the resumption of Assiniboia from the Selkirk family remained unknown to the inhabitants at Red River. When the transfer and its implications became known it was said that the Company had "locked the door upon the Settlement and put the key into its pocket."

Whatever the prospects of Assiniboia, however, the policy of the Company at this time in Rupert's Land has received less than justice at the hands of Canadian critics. In sheer numbers the little pocket of settlement at Red River was dwarfed by the Indian population of a quarter of the continent. In 1857 it was estimated at nearly 160,000, and the interests of the native were still a major consideration in British policy. In dealing with the Indian population of North America there has been no fairer record than that of the Hudson's Bay Company. For two centuries the traditions

of the Company were unbroken by a single major conflict. Whatever the technique of modern industry and commerce, it remained the deliberate conviction of the Colonial Office that without the most exacting supervision free trade in furs would be disastrous to the red man. Every departure from this policy had been marked by drunkenness and bloodshed. "Happy those", wrote Henry of the North-West Company, "who have the least connection with us". At the coalition which brought the deadly feud between the Hudson's Bay and the North-West Companies to a close in 1821, the Company quickly reasserted an effectual monopoly over Rupert's Land under the Charter of 1670, and was granted in addition a licence of exclusive trade for twenty-one years over the whole vast area beyond to the Pacific. This licence was renewed for twenty-one years in 1838; so that both right and official policy were fairly on the side of the Company when the "fight for free trade" in furs at the Red River Settlement presaged the advent of a new era.

The approach of American outposts from the south made economic change inevitable; and in the end these factors of geography and physiography determined the most fundamental of all problems of land policy. What was to be the ultimate destiny of the West? The fur trade was defensible in 1802, in 1811, in 1821, in 1838. "But do the Hudson's Bay Company", exclaimed the *Toronto Globe*, "think they can shut out people from the direct road to the Great West forever?" The conflict between the interests of the fur trade and the march of pioneer settlement was to be settled in the last analysis by basic factors of physical geography, though the ultimate solution, as we shall see, was to come, largely in defiance of nature, from forces as remote as the rise of a national spirit in Canada and the project of a transcontinental British Dominion.

The district (see Fig. 3) which Selkirk, with uncanny foresight, had chosen for his first settlement in the West was the alluvial bed of glacial Lake Agassiz, at one time larger than all the Great Lakes put together. Drained at first southward into the Mississippi, it broke finally through the receding ice-wall to the northward, and left behind the vast reservoir of Lake Winnipeg, which still gathers the streams of three great watersheds before pouring them forth by the Nelson River into Hudson Bay. The Winnipeg River watershed with its network of lakes and rivers through Lake of the Woods and Rainy Lake, extends to the height of land near

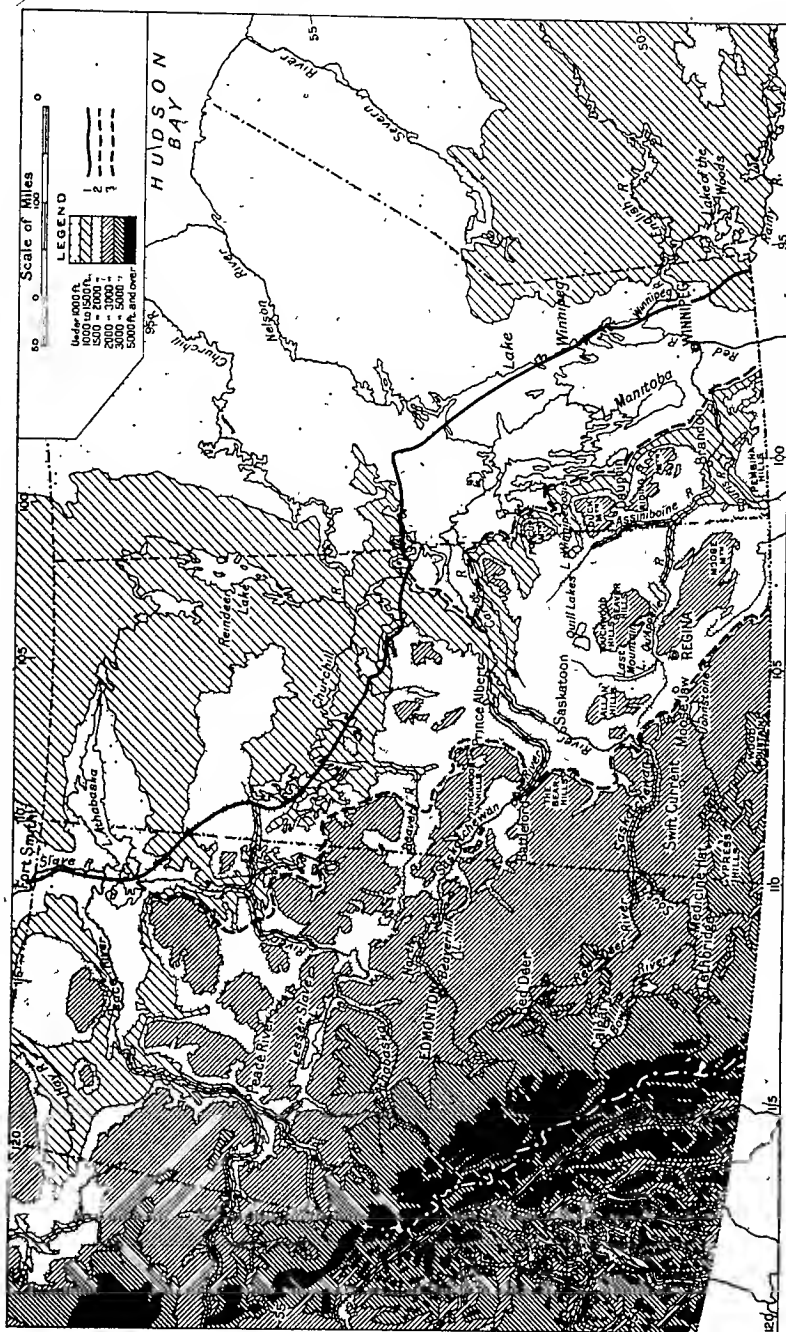


FIG. 3.—Relief map of the Prairie Provinces (Agriculture, Climate, and Population of the Prairie Provinces of Canada: A Statistical Atlas Showing Past Development and Present Conditions, prepared under the direction of W. B. Hurd and T. W. Grindley, 1932, Ottawa, Dominion Bureau of Statistics—hereafter referred to as *Statistical Atlas*). 1, Western boundary of the Precambrian Shield; 2 and 3, respectively the boundaries between the first and second and between the second and third prairie levels

the shores of Lake Superior. The Red River takes its rise in South Dakota, while both branches of the Saskatchewan take their rise among the foothills of the Rocky Mountains. It was in Assiniboia that the headwaters of the three greatest waterways of the continent, the St. Lawrence, the Mississippi, and the Hudson Bay watersheds, were to be found in closest contiguity.

There have been four historic routes of access to this area, each charged with a distinctive destiny. The first, by way of Hudson Bay, was the channel not only for the Company's fur trade, but for the epochal decade of settlement at Red River after 1811. The second—the long canoe route from Canada through no fewer than 60 lakes and over more than 300 portages—enabled the North-West Company to cut athwart the Hudson Bay route, intercept the furs on the way to the Bay, and precipitate at the point of intersection the bitterest conflict in the history of the fur trade. It was this conflict which nearly exterminated the Red River Settlement, and led through sheer attrition to the coalition of the two fur companies in 1821. The first official innovation under the shrewd management of Governor Simpson was to close this "back door" from Canada and to adapt the whole technique of the fur trade and of settlement in Rupert's Land to the unique facilities of the Hudson Bay route. The long water-route, by river, lake, and portage, to Canada, though feasible for the fur trade under the drastic stimulus of competition with the Hudson's Bay Company, was adapted economically to no other intercourse, and appeared again only spasmodically in the futile Dawson route or in combination with the abortive rail and water policy of the Mackenzie régime during the seventies. The final project of a transcontinental railway on Canadian soil—the fourth route of access, in chronological order, to Red River—was in a sense a reversion to the second. Like the second, it exacted the maximum of courage and resourcefulness in its achievement. It succeeded in defiance rather than with the alliance of nature, and it dominated, as we shall see, for twenty-five years the land policy of the new Dominion.

It was the third route of access, however—that by way of the United States—which supplied at once the stimulus and the challenge to the new order. Selkirk himself left the Settlement in 1817 by way of the United States, and predicted by that route a future for Assiniboia "beyond any view that I ever entertained of it". Both cattle and sheep were driven in from the south, and

packs of illicit furs were soon finding their way stealthily by Red River cart to the American outposts. Cuthbert Grant, the leader of the Nor'-Westers at the affray of Seven Oaks, was now "Warden of the Plains". For a time the Company secretly equipped two enterprising young traders with supplies and fire-water to meet the "whiskey traders" on their own ground and by their own method, "burning a safety-strip", in the approved practice of the prairie, against the approaching prairie-fire from the south. Sinclair and McDermot, however, quickly outgrew the surreptitious patronage of the Company, and an open conflict for free trade was soon under way. Over traffic by way of Hudson Bay the Company, by "indirect but powerful means", could exercise an irresistible control. With access to Red River by way of the United States, in the van of a veritable deluge of frontier settlement, their monopoly was doomed. Magistrates showed a "fixed determination not to adjudicate in cases arising out of illicit fur trafficking". In 1849 the Recorder himself at the Sayer trial withdrew the last charge in support of the monopoly, and the *Métis* streamed from the Court House shouting "la commerce est libre".

By 1852 the railway from the east had reached Chicago. Two years later the Chicago and Rock Island line reached the Mississippi, and in 1859 the Hannibal and Saint Jo reached the Missouri. In 1856 over 500 Red River carts found their way to the American outposts. American travellers were astonished to find Scottish highlanders in capote and moccasins emerging from the wilderness with all the marks of a European civilization. A steamboat, the *Anson Northrup*, was launched upon the Red River in 1859. The Company itself followed suit with the *International*, and was soon bringing in not only mails but many of their own supplies from the south.

Meanwhile the westward expansion of the United States was phenomenal. Within a single decade, the population of Iowa, Indiana, Illinois, Wisconsin, and Minnesota increased from 1,360,000 to 3,335,000. Minnesota, a territory with 6,000 frontiersmen in 1850, was a state with 172,000 inhabitants in 1860; and a resolution of the legislature for the annexation of the Red River district was interpreted as "the highest tribute yet paid to this country". "Consul" Taylor—"Saskatchewan Taylor" as he was affectionately known in those days—went to Fort Garry in the cause of annexation, and predicted in 1865 "the speedy Americanization of the fertile district" unless the British government recognized the "destiny



of the great interior of British America". As late as 1869 Governor McTavish of the Hudson's Bay Company regarded the annexation of the West to the United States as its "ultimate destiny . . . Indeed it is for the interest of settlers here that annexation should take place at once." Edward Watkin himself once submitted to the Barings a project for an accommodation between the Grand Trunk, with its tide-water terminus at Portland, and the Northern Pacific for the development of the vast territories of the Hudson's Bay Company. It was from the south that the first railway reached the new province of Manitoba in 1878, and it was by way of the south that the first shipment of wheat, the new staple of the country, left the Canadian West. From this source came the dominant incentives, both direct and indirect, for the building of a transcontinental railway on Canadian soil. Beyond this again lay the design of a transcontinental Canadian Dominion, and it may fairly be said that both were discerningly projected at that time in defiance of nature and the barriers of physical geography.

How long could the Hudson's Bay Company of Sir George Simpson's régime hope to withstand the tide? So long as settlement remained not only isolated but insulated from outside contacts the patriarchal rule of the Company sufficed for the idyllic conditions of life at Red River. The three or four sections of the little community prospered each in its own way. For the *Métis* of French and Indian blood the buffalo hunt and the titameg fishery still formed the staple of existence. "Freighting" for the Company and primitive agriculture were stabilizing factors in their wild life. But the land seemed as illimitable as the atmosphere. They usually settled by the river banks, built their log-cabins without title and usually without the knowledge of the Company, and moved on when the supply of fire-wood was exhausted in their neighbourhood. "We point out," said Sir George Simpson in 1857, "the situations where they may squat, we do not give them titles unless they make some arrangement for the payment. . . . The majority of them have settled themselves down where they liked and we could not prevent them."<sup>11</sup> Scrip for 1,400,000 acres of "half-breed grants" became necessary at the transfer to Canada to meet the claims of the semi-nomadic *Métis* and to safeguard them, as they thought, from the deluge of alien immigration. For the Indian population the Peguis treaty with Selkirk in 1817 had been intended to protect

<sup>11</sup> Report from the Select Committee, 94 ff.

not the Indian but the white man,<sup>12</sup> and the "reserves" of the native were still the illimitable prairies of Rupert's Land. For the grants of land to the Roman Catholic mission across the river from the Red River Settlement, and for the Protestant churches and schools, more formal title was forthcoming; but even for the average settler or retired Hudson's Bay factor who preferred a land deed from the Company, there were exacting restrictions. A "pepper-corn lease" for the "full term of One thousand years" was the usual form of purchase. Transfer to a third party required the "consent in writing of the said Governor and Company", and there were the usual stipulations against "any trade or traffic" in furs. Up to 1857 the total land sales at Red River scarcely amounted to £3,000—less than 12,000 acres at the minimum price of 5s. exacted by the Company. It must be added that in practice the process of transfer was much simpler. It was frequently made by the substitution of one name for another in the Colony Register. The "white scrip" and more than 500,000 acres of "parish and river lots" under Canadian administration are vestiges of these primitive titles under the Hudson's Bay Company.

#### 4. *Settlement Wins the Day*

During the fifties the approaching expiration of the licence of 1838 raised anew the status of the Company. The next decade, it was clear, would decide the destiny of the West. Without some radical reorganization in temper and function the Company could not hope to cope with the forces that were already converging upon the Red River area. To the age-long conflict between the interests of fur trade and settlement there could be in the end but one conclusion. The monumental *Report from the Select Committee* of the British House of Commons in 1857 was the beginning of the end. In personnel the Committee enlisted the best ability for that purpose in Great Britain—Lord John Russell, Gladstone, Labouchere, Roebuck, and many others. The witnesses supplied the widest range of evidence to be found at that time on the affairs of the Hudson's Bay Company, from the official exposition of the Company's policy by Edward Ellice and Sir George Simpson to the more critical views of Alexander Isbister and John Ross, Chief

<sup>12</sup> Reserving "to the use of the said Earl of Selkirk, and of the settlers being established thereon", the banks of the Red and the Assiniboine "to the distance of two English statute miles", with a wider radius of six miles at Fort Douglas, Fort Daer and Great Forks.

Justice Draper from Canada, John McLaughlin, William Kerna-ghan, Colonel Crofton, and a host of minor authorities. The *Report* with its 547 folio pages of evidence and analysis, and its two pages of terse report and recommendation, made it clear that settlement was to be the key-note of the new era. The Committee advised that "the districts on the Red River and the Saskatchewan" be "ceded to Canada on equitable principles, and within the districts thus annexed to her the authority of the Hudson's Bay Company would of course entirely cease."

The prospective victor in the race was already clamouring for the laurels, but the Company was prepared to make one final effort before surrendering their chartered rights in Rupert's Land to the Crown. The full significance of the reorganization of the Company in 1863 under the International Financial Society is traceable only in its Canadian context.<sup>13</sup> By 1861 the Grand Trunk Railway of Canada was on the brink of bankruptcy. The preferred bondholders were at one time upon the point of running the rolling-stock into the State of Maine and foreclosing upon the assets of the Company. Confronted with this desperate alternative the Barings, with characteristic magnanimity, waived their priority as senior bondholders and sent Edward Watkin, the President of the Company, to Canada as special commissioner to report upon the prospects. Watkin's bold and resourceful mind grasped the problem with a versatility and vigour which must have daunted the conservative interests he had come to Canada to represent. For the Grand Trunk in Canada, "to return were now as tedious as go o'er." Watkin advocated an intercolonial railway to the Maritime Provinces, and expansion westward to the Pacific, with a federation of the provinces as the ultimate destiny of British North America.

The incentives towards these spectacular projects were by no means confined to Canada. In the United States the Union Pacific was chartered in 1862 under the stimulus of Civil War. The Northern Pacific was chartered in 1864. For the British provinces a series of preliminary regional unions had the support of powerful authorities at the Colonial Office and of Sir Edmund Head, the Governor-General. In the east, the union of the three Maritime Provinces was consistently advocated until it was swallowed up in the larger federation in 1864. In 1857, as we have seen, the Select Committee of the British House of Commons had recommended a central union of the old province of Canada with the

<sup>13</sup> See below, p. 222.

Red River and Saskatchewan districts, and a western union of Vancouver Island with the mainland area west of the Rocky Mountains. . The Barings and the Glyns in London, under Watkin's forthright advocacy, approached the Colonial Office with a preliminary project for a telegraph line and right of way to the Pacific. The Colonial Office (July 31, 1862) could offer no "pecuniary assistance", and had "no power to make any grant of land for the purpose" from Rupert's Land, but undertook to sponsor "some concession of land" from Canada and British Columbia. The Company itself (August 11, 1862) had "no objection to make such grants of land", and it was in the following year, as we have seen, that the International Financial Society bought up a controlling interest in the Hudson's Bay Company. It was not by chance that Sir Edmund Head himself, after his retirement from Canada, became the Governor of the new Company, while Macdonald, Cartier, and the "Grand Trunk interests" in Canadian politics gave their blessing to the new venture as an escape from the prospect of westward expansion under the vigorous frontier policy of George Brown and the "Clear Grits". For a time it seemed that the Company was officially to be launched upon a new and prodigious project. A prospectus, ~~directed perhaps at the traditional conservatism of the old shareholders,~~ advocated "colonization under a liberal and systematic scheme of land settlement". The Company was at last to move "in accord with the industrial spirit of the age." But many features of the organization suggested stocks rather than settlement. The Company proposed to the Colonial Office a Crown Colony in Rupert's Land with the reservation of half the land to the Hudson's Bay Company. The reply of the Colonial Office was conclusive: "the whole progress of the Colony depends on the liberal and prudent disposal of the land. . . . Colonists of the Anglo-Saxon race look upon the land revenue as legitimately belonging to the community."

Meanwhile the morale of the Company in Rupert's Land suffered under the uncertainties which attended the financial reorganization in London. The new men were regarded in official Hudson's Bay circles as "not much better than greenhorns". Swinging violently from "land" to "cash" as compensation for the surrender of its chartered rights, the Company was prepared in 1868 to accept £1,000,000 "in hard money". The final terms represented a compromise, with subtle implications that were not immediately seen. The Company agreed to accept £300,000 in cash, certain blocks of

land not to exceed 50,000 acres in the vicinity of their trading-posts, and one-twentieth of the fertile belt in an area bounded "on the south by the United States boundary; on the west by the Rocky Mountains; on the north by the northern branch of the Saskatchewan; on the east by Lake Winnipeg, the Lake of the Woods, and the waters connecting them."

By the Rupert's Land Act of 1868 and the terms of surrender based upon that statute, two centuries of Hudson's Bay rule came to an end. It was provided that "all titles to land . . . conferred by the Company, are to be confirmed." The transfer to Canada was not so easily to be effected. The Riel Insurrection which delayed that transaction from December 1, 1869 to July 15, 1870, was technically a revolt against the Hudson's Bay Company. In purpose and effect, however, it was a protest by the French and French *Métis* at Red River against being "sold like the buffalo" without some "breakwater" against the ravages of impending change. The breakwater was the Manitoba Act, and beyond a doubt the organization of the new province of Manitoba in 1870 with statutory safeguards for the French language, separate schools, and the rights of minorities, was the direct result of the Riel Insurrection. The subtler and more decisive influences behind the movement were thus religious and political, but in the four "lists of rights" drawn up at various stages of the insurrection, none perhaps was stressed more consistently than the local administration of public lands. Whether as a territory—the organization voted by the Convention which discussed terms with Commissioner Donald Smith at Fort Garry in January, 1870—or as a province under the more successful advocacy of Bishop Taché and the French *Métis*, "full control over all the public lands" was demanded for the "local Legislature".<sup>14</sup>

By the Manitoba Act (Section 31) 1,400,000 acres were appropriated "for the benefit of the families of the half-breed residents." For other inhabitants of Assiniboia all grants by the Hudson's Bay Company in freehold, or "less than freehold", or "by occupancy with the sanction and under the license and authority of the Hudson's Bay Company", were to be "converted into an estate in freehold by grant from the Crown". The decision to retain the public lands under federal control, however, had already been taken. "The land", said Macdonald in the debate on the Manitoba Act, "could not be handed over to them, it was of the greatest importance

<sup>14</sup> Chester Martin, *The Natural Resources Question*, pp. 48 ff.

to the Dominion to have possession of it. . . . They had determined to do so." The designs which underlay this policy were deeper than either Riel or his opponents at Red River could have surmised. Upon the shoulders of the new Dominion the Colonial Office was preparing to devolve responsibility for the organization and development of British interests in North America. The "purposes of the Dominion" were already under way, and the land itself seemed to be the one resource, in the views of that day, by which the phenomenal development south of the international boundary could be paralleled by a transcontinental British Dominion on Canadian soil.

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## CHAPTER II

### "THE PURPOSES OF THE DOMINION"

#### *1. Canada and the Transfer*

THE forces which were now converging to dominate the northern half of the continent were complex and in many instances abnormal. Many of them lay so far beyond the range of land policy that no attempt can be made to analyse them here. Political deadlock in the old province of Canada, the movement for Maritime Union, the "race for the Pacific", the overshadowing problems of defence and economic readjustment after the abrogation of the Reciprocity Treaty, were all fused to incandescence in the crucible of relations with the United States during the Civil War. The pressure and the temperature under which the Canadian federation was moulded into permanent form could have been brought to bear during no other decade of the nineteenth century. The result was an unprecedented concentration of power in the hands of the federal government. The contrast between this aggressive and venturesome statesmanship and the antiquated traditions of the old Company is to be traced in every phase of their relations. The spirit in which the new Dominion undertook the administration of the West was aggressively and instinctively Canadian.

Neither the problem nor the policy was altogether new. Long after "Jacksonian democracy" had begun to wane in the United States, the ground-swell was felt among the "Clear Grits", the party of the frontier in Canadian politics. Their chief problems however were indigenous, and the American analogy supplied them with no solution. In westward expansion and "rep. by pop." they found twin issues which exactly suited their temper and resources.<sup>1</sup> They were at issue with the racial and religious domination of Canada East, with "big business" in general, and in particular,

<sup>1</sup> At the Union of Upper and Lower Canada in 1841 the fatal provision was made for equal representation from the two sections of the province. In the early fifties Canada West which had been over-represented for ten years rapidly surpassed its rival in population, and the advantages of over-representation were transferred to Canada East. By 1865, representation by population, as Macdonald himself conceded, was inevitable, with consequences which could not be foreseen for the vested interests, both economic and political, of the Conservative party.

with the demoralizing influence of the Grand Trunk Railway. Above all they were at issue with the political technique of the most resourceful group of men who ever presided over Canadian politics. The bitterest passages between these inveterate antagonists have become historic. On the one side were George Brown and William McDougall, both newspaper men and both crusaders, with all the zeal and uncompromising wrath of the covenanter. On the other were John A. Macdonald, the "much-contriving Ulysses" of the party, Cartier, for many years the solicitor for the Grand Trunk, John Ross, a member of the Canadian directorate, and A. T. Galt, who came to personify above all others, perhaps, the vested interests of railway contracts, land companies, and venturesome finance. The forces that could drive these inveterate enemies into political coalition and find a solvent for their antipathies in a federation of the British provinces must in truth have been prodigious. In no respect, perhaps, was coöperation less instinctive than in the issues of westward expansion and land policy.

The "Clear Grits" drew their inspiration from the frontier. Even a union with the Maritime Provinces was suspect because it would mean an intercolonial railway towards the east instead of the west, with another orgy in provincial politics after the fashion of the Grand Trunk. For a time the western wing of the party would have welcomed a simple dissolution of the Union and risked the "inclined plane" towards New York, the Erie Canal, and annexation to the United States. At the epochal convention of 1859 in Toronto, however, George Brown swung the party towards a scheme of federal union with Canada East in the interests of the St. Lawrence and British nationality. To the practical men of the party the counter-project of Sir Edmund Head and A. T. Galt for a federation of all the British provinces seemed so remote in practice that it was interpreted as a "red herring to deflect the Clear Grits from their immediate interests." Cheap land, rapid immigration, and westward expansion, on the other hand, were constructive policies which were in accord with "rep. by pop." and indeed made it inevitable. When two young Canadians started the *Nor'Wester*, the first newspaper at Fort Garry, in 1859, they regarded themselves as apostles of annexation to Canada. Quotations from the *Nor'Wester* found their way regularly into the columns of the *Toronto Globe*. The Hudson's Bay Company which the *Nor'Wester* sought to disparage at Red River was soon associated, in the suspicious temper of George Brown, with the Grand



Trunk in Canadian politics; and when Sir Edmund Head—next to Macdonald perhaps the *bête noire* of Brown's political creed—became the new Governor of the Company in 1863, the *Globe* began to sense a "sinister hierarchy" of devastating proportions. The mercurial activities of Edward Watkin as President and Commissioner of the Grand Trunk and confidant of the Barings, confirmed these suspicions, and raised visions of "government jobs, land deals, and railway contracts" beyond computation. The sympathy of Cartier and Macdonald for these desperate projects merely confirmed the sectionalism of their opponents. In the end both parties were coerced by a national emergency which neither alone could hope to control.

Had George Brown remained at the helm and had the Clear Grits held their own in the coalition of 1864, westward expansion might still have gone forward under their auspices. In the delegation which went to London in 1865—perhaps the ablest which ever left Canada on such a mission—George Brown himself was entrusted with the Canadian case against the Hudson's Bay Company. The holy glee with which Brown entered the fray boded ill to Watkin's elaborate strategy for big business. The Minister of Public Works in the first federal cabinet was William McDougall. To him and to Cartier were entrusted in 1868 the final negotiations with the Colonial Office for the transfer of Rupert's Land and the "North-Western Territory" to the new Dominion. Under McDougall's directions also were the preliminary surveys at Red River which supplied the pretext for organized resistance among the *Métis*. The selection of McDougall himself as Governor with a Council to be appointed from Ottawa, seemed to forecast a Clear Grit ascendancy in the West, and McDougall's premature appearance upon the frontier was the signal for open insurrection. The Manitoba Act, sponsored by Cartier himself, was designed to safeguard the primitive interests of race, religion, and language at Red River.

Macdonald's consummate tactics thus recaptured for his party not only the political machinery of the coalition but the ascendancy over the whole process of westward expansion. McDougall, discredited by the Riel Insurrection, was driven from public life. Howe, implicated as Secretary of State in the same fiasco, retired to the Lieutenant-Governorship of Nova Scotia. George Brown had long since withdrawn to the editorial sanctum of the *Globe*. Had the recommendation of the Select Committee in 1857 resulted

in the immediate annexation of the Red River and Saskatchewan districts to the old province of Canada, the party of the "frontier" might perhaps have dominated Canadian politics for a generation. Even Brown's scheme for a dual federation of the Canadas, East and West, after 1859, might still have left the process of westward expansion under the domination of the Clear Grits. But the protection to the vested interests of the Hudson's Bay Company under the Rupert's Land Act, and the transfer of Rupert's Land to a federation of all the provinces in 1870, diffused the influence of the Canadian frontier beyond all hope of reconstruction. Macdonald emerged from the coalition with a mastery not only of the political machinery but of the means of making that machinery effective in the West.

In truth the transfer of 1870 marked a revolution not only in administration and land policy, but in the very nature of the Canadian federation. It transformed the original Dominion from a federation of equal provinces each by a fundamental section (109 of the British North America Act of 1867) vested with the control of its own lands, into a veritable empire in its own right, with a domain of public lands five times the area of the original Dominion, under direct federal administration. For the new province of Manitoba as well as for the North-West Territories "all ungranted or waste lands" were by statute to be "administered by the Government of Canada for the purposes of the Dominion".<sup>2</sup>

"Dominion Lands" policy for sixty years was scarcely more than a commentary upon these conditions: whatever the changes, from time to time, in boundaries or status (Figs. 4, 5, 6, and 7), the federal administration of public lands remained a national necessity. What were these historic "purposes of the Dominion"? How far have they been attained, how far were they attainable, by the means contemplated in 1870? The first of these questions may be answered with considerable certainty. The time would seem to be opportune for an attempt to answer the second also at a later stage of this study; for with the completion of these historic "purposes" the remaining resources of the Prairie Provinces have at last been transferred to provincial control. The cycle of land policy "for the purposes of the Dominion" has come to an end, but it is safe to say that the vestiges of those sixty years will remain for all time to come in the development and outlook of the Prairie Provinces.

<sup>2</sup> Manitoba Act, *Statutes of Canada*, 33 Vict., c. 3, s. 30.

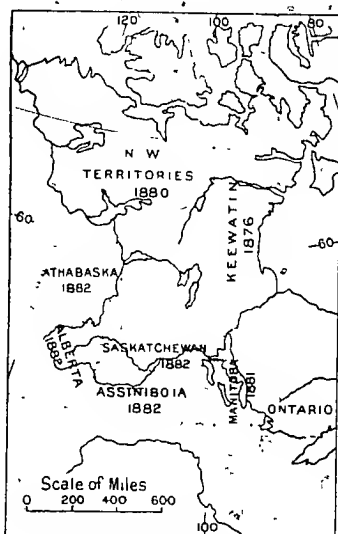


FIG. 4—Administrative divisions of "Dominion Lands", 1882.

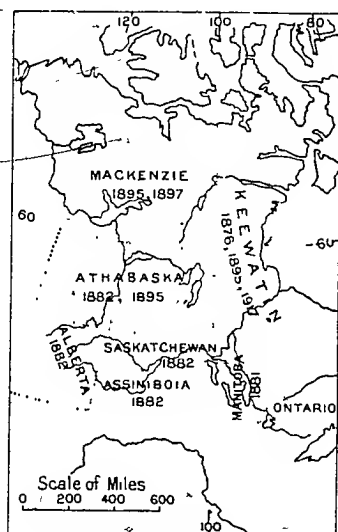


FIG. 5—Administrative divisions of "Dominion Lands", 1898.

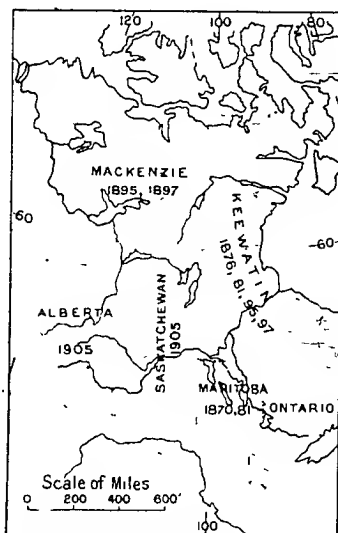


FIG. 6—Administrative divisions of "Dominion Lands", 1905.

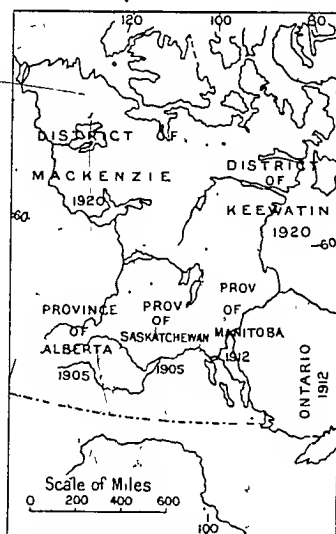


FIG. 7—Administrative divisions of "Dominion Lands", 1927.

## 2. Historic "Purposes"

There were two major "purposes of the Dominion" in the administration of Dominion Lands, and both were truly national in their dimensions. There were minor purposes which may be passed over more briefly.

By the terms of the surrender to the Crown the Hudson's Bay Company was entitled to blocks of land about their trading posts and to one-twentieth of the fertile belt. These terms could best be implemented by a government with undivided authority over the whole area. The compensation in cash too had been paid not by the Imperial Government as in British Columbia, but by the Dominion; and from the public lands the Dominion "would be in a position to obtain repayment of the disbursement of the £300,000 . . . The expense would be defrayed by that means instead of being charged against the people of the Province of Ontario, Quebec, Nova Scotia, and New Brunswick".<sup>3</sup> Both receipts and expenditures for Dominion Lands, it is safe to say, have dwarfed "the disbursement of the £300,000"; but the lands, as Cartier remarked in the debates on the Manitoba Act, had been "given up for nothing", and the prospect of getting something for nothing may well have served a purpose as a solvent for the sectional difficulties of the eastern provinces.

Two historic purposes, however, stand out so clearly in the transfer that they came to determine, like mountain ranges, the boundaries of the whole cycle. Railways and settlement were the twin problems of the new era. Both must have appeared desperate in 1869 to the architects of a transcontinental federation. In the United States the Union Pacific had just reached the Pacific. The Northern Pacific, chartered in 1864, was already attempting the northern route with prospects that filled Canadian observers with apprehension. Early in 1870 C. J. Brydges, the general manager of the Grand Trunk, reported to Macdonald a conversation with Governor Smith of Vermont, then President of the Northern Pacific: "I am quite satisfied from the way Smith talks to me, that there is some political action at the bottom of this . . . to prevent your getting the control for Canada of the Hudson's Bay Territory." "It is quite evident to me," Macdonald replied, "not only from this conversation, but from advices from Washington, that the United States Government are resolved to do all they can,

*Recent Disturbances in the Red River Settlement, 1870, p. 146.*

short of war, to get possession of the western territory and we must take immediate and vigorous steps to counteract them. One of the first things is to show unmistakably our resolve to build the Pacific Railway."<sup>4</sup>

The problem of a transcontinental railway was thus already in mind at the transfer of Rupert's Land to Canada. "It must be in the contemplation of the Members of the House," said Cartier, during the debates on the Manitoba Act, "that these (lands) could be used for the construction of the British-Pacific Railway from the East to the West." "It was worthy of attention," added Macdonald, "how carefully the interest of the Dominion had been looked to in the reservation of all lands for all purposes. . . . They wished Rupert's Land made into one Province, and to have all the land within the boundary as in other Provinces. . . . The land could not be handed over to them, it was of the greatest importance to the Dominion to have possession of it, for the Pacific Railway must be built by means of the land through which it had to pass."<sup>5</sup> When British Columbia entered the Dominion in 1871 a transcontinental railway within ten years was the most important of the "terms of union"—a self-denying ordinance on the part of Macdonald and his party to commit the Dominion inescapably to that national project. In 1880 Parliament "solemnly set aside one hundred million acres" for the building of a Canadian Pacific Railway. Two years later Macdonald affirmed that "not a farthing of money will have to be paid by the people of Canada." This roseate vision, like Watkin's for the Grand Trunk, became one of the mirages of Canadian history, but the railway land grant system remained; as we shall see, a dominant factor in Dominion policy. Until 1894 when it was finally abrogated, it might almost be regarded as the staple of that policy. Its counterpart survived in Oliver's "pre-emption" and "purchased homestead" policy of 1908, when the odd-numbered sections instead of being granted to railways were to be sold by the government for the construction of the Hudson Bay Railway.

The other cardinal policy in the "purposes of the Dominion" in 1870—a free-homestead system in the interests of rapid settlement—reached its maximum development only after the abrogation of railway land grants, but from the outset it was closely associated with them. The origin of both is to be found in the prodigious

<sup>4</sup> Joseph Pope, *Correspondence of Sir John Macdonald* (Garden City, N Y 1921), pp. 124-125.

<sup>5</sup> *Recent Disturbances in the Red River Settlement, 1870*, pp. 143, 146.

precedents of the United States, but there were Canadian features, as we shall see, which distinguished very clearly their application in the Canadian West. "It would be injudicious," said Macdonald; "to have a large province which would have control over lands and might interfere with the general policy of the Government in opening up communications to the Pacific, besides the land regulations of the Province might be obstructive to immigration. All that vast territory should be for purposes of settlement under one control, and that the Dominion legislature." The free-homestead system appeared from the first in the administration of Dominion Lands<sup>6</sup> but it was profoundly modified by the railway land grant system. It will be necessary, at a later stage, to trace the change from a "sales" basis for the railway belt in the regulations of July 7, 1879,<sup>7</sup> to the "homestead" basis in the regulations of January 1, 1882. The even-numbered sections, originally reserved for sale by the government, were thrown open everywhere for free homesteads in order to stimulate settlement and enhance the value of the odd-numbered sections reserved for the railway. After the passing of the railway land grant system in 1894, the free homestead together with the School Lands became increasingly the staple of "Dominion Lands" policy. "Parliament pledged its faith to the world," reads the historic Order-in-Council of 1885, "that a large portion of those lands should be set apart for free homesteads to all coming settlers, and another portion to be held in trust for the education of their children."<sup>8</sup> In 1905 when the Provinces of Saskatchewan and Alberta were created the homestead policy supplied the classic argument—almost the only argument—urged by the government for the retention of federal control of public lands, lest "either of the provinces, under the strain of financial difficulties" might "abolish the free homesteads, which have proved so beneficial and so great an inducement to our immigration policy."<sup>9</sup> When the return of the natural resources to the Prairie Provinces was under discussion in 1916, Sir Robert Borden stipulated the retention of the free-homestead system in order to ensure a "continued flow of desirable immigration". As the function of Dominion Lands in achieving these "purposes of the Dominion" came to an end, the return of the remaining resources to the provinces became for the first time feasible. "The purposes",

<sup>6</sup> Order-in-Council, March 1, 1871, and Dominion Lands Act of 1872.

<sup>7</sup> *Sessional Papers of Canada, 1880-81*, No. 21.

<sup>8</sup> *Sessional Papers of Canada, 1885*, No. 61

<sup>9</sup> *Debates of the House of Commons, Canada, 1905*, p. 1434

wrote the Commissioners on the Manitoba case in 1929, "for which the Dominion retained the agricultural lands of the Province have now been achieved; the railways have been built and the lands settled."<sup>10</sup> There were many other categories of Dominion Lands, and it will be necessary in this survey to outline briefly the technique of their administration during the cycle of federal control from 1870 to 1930. In both area and importance, however, the railway land grant and the free homestead, with concomitant policies for School Lands and pre-emptions, dwarfed all the rest. They formed the twin staples of Dominion policy. The historic origins of both were to be found in the United States; and their application in the Canadian West, though marked by characteristic and distinctive differences, was perhaps as inevitable as the basic influences of physiography which they had in common.

### 3. *Parallels and Precedents*

The parallels between "Dominion Lands" in Canada and the "Public Domain" in the United States are so close that many of the characteristic differences are apt to escape observation. In physiography and history there were many similarities. The westward expansion of the United States was one of the epochal movements of history. The appropriation of so vast a fund of experience and resource by the young Dominion was taken as a matter of course.

Both federations began with provinces upon the Atlantic seaboard, and with expanding frontiers that were soon on "the march to the Pacific". In one sense there was not only a similarity but an identity of origin, for in the "Great Plan" of Governor Shirley of Massachusetts as early as 1748 the St. Lawrence basin as well as Nova Scotia was to have been the frontier of New England. Both federations were profoundly influenced by internal rivalries—the Canadian by the historic clash of races, the United States by the contest between slave and free at every stage of state organization from Maine and Missouri to California. In one respect the Canadian federation had the simpler task, for under the aegis of the Hudson's Bay Company the whole vast territory to the Pacific was already British. It became Canadian within the space of two years. In one sense it was not the newest but literally the oldest continuously British territory on the continent, for Captain

<sup>10</sup> *Report of the Royal Commission on the Transfer of the Natural Resources of Manitoba* (Ottawa: King's Printer, 1929), p. 41.

Button at the mouth of the Nelson had claimed it for King James of England in 1610.

In the United States a series of purchases—Louisiana, the Floridas, Colorado, Nevada, California, Utah, Arizona, New Mexico, Texas, Alaska—was supplemented by conquest and annexation to complete the most sustained movement of territorial expansion of the nineteenth century. The Canadian problem on the other hand was consolidation rather than acquisition; though it was the fashion for many years to refer to the compensation of £300,000 to the Hudson's Bay Company for its surrender of certain chartered rights to the Crown as the "purchase" of Rupert's Land by Canada. The prairies of the Mississippi watershed to the south were the counterpart of the prairies of the Red and the Saskatchewan to the north; and a veritable epidemic of migration—"prairie fever"—was responsible in turn for the settlement of both. In both, transcontinental railways were indispensable for settlement and national consolidation. Common to both countries were many technical features of administration and settlement: the square survey of thirty-six sections to the township instead of the rectangular survey of Canada West or the long narrow holdings on the St. Lawrence; the section and the quarter section as the basis of administration; the allocation of railway lands in alternate sections; the free homestead, school lands, university lands, swamp lands, pre-emptions, scrip for a variety of purposes, and many other similarities in nomenclature and technique. In 1882 a Committee of the Canadian Privy Council asserted that Manitoba stood "in the same position as lands in the Territories of the United States which are not given to new States as these new States are created but remain the property of the United States." Two years later the Committee still commended "the procedure of the Federal Government of the United States", which "rigidly retains the public lands". As late as 1905 Sir Wilfrid Laurier appealed "to the United States for precedents. . . . the Federal Government has always retained the ownership and management of the public lands."

Many of these analogies, both true and false, must be traced in their context; but it may be the more necessary, at the outset, to note a few deep and fundamental differences. None perhaps is more distinctive than that which has recently reversed the plausible doctrine of federal "ownership" of public lands and restored them to provincial control. The difference in principle here is as basic as the difference between the two constitutions. By a legal principle



prevalent since feudal times the title to public lands within the British Empire is "vested in the Crown", but the "administration and beneficial interest" have uniformly devolved upon British provinces with the achievement of responsible government. These rights the several provinces retained by the British North America Act of 1867 (section 109).

Each of the original thirteen colonies, on the other hand, became at their independence the "successor to the Crown . . . and to the land rights of the Crown," including by treaty "all claims to the . . . proprietary and territorial rights of the same." When these "free, sovereign and independent States" proceeded therefore to federate, and seven of them (without surrendering their own internal "land rights") ceded to the federal government their claims to 400,000 square miles of disputed territory as a "public domain", these unappropriated lands became the "property" of the federal government in a sense which has no parallel within the British Commonwealth. As the United States expanded westward a vast area of nearly 2,500,000 square miles, acquired at various times by conquest or treaty at a cost of over \$88,000,000, was added to the public domain. As these areas were organized into territories and in due time admitted as States to the Union, the national government still jealously retained "the absolute and complete proprietary power" over the public lands. The "public land states" of the Union have never therefore been able to claim the constitutional rights which the prairie provinces of Canada have recently vindicated in practice against the Dominion.

Though administered from 1870 to 1930 by the federal government, "Dominion Lands" have differed from the "public domain" in the United States in both origin and status. "For reasons of paramount national importance",<sup>11</sup> these lands were retained "for the purposes of the Dominion" in 1870, and it required another Imperial Act (the B.N.A. Act of 1871) to validate the practice in Manitoba and to authorize it for Saskatchewan and Alberta. The Prairie Provinces have not been disposed to dispute these national purposes or the desperate emergency of 1870; they "are not without pride in having been able to lend, so to speak, to the Dominion the resources without which these great national enterprises could never have been effected";<sup>12</sup> but it is safe to say that the constitutional right, now conceded by the Dominion, not only to lands

<sup>11</sup> *Report of the Royal Commission on the Transfer of the Natural Resources of Manitoba*, 1929, p. 42.

<sup>12</sup> *Memorial of Manitoba*, to the federal government, December, 1920.

which remain but to fiduciary compensation for those alienated "for the purposes of the Dominion" will never find a parallel in the administration of the federal "public domain" in the United States.

Many familiar features, moreover, in the administration of the "public domain" in the United States, have had historic origins which were almost completely overlooked in their application to "Dominion Lands" after 1870. The conflict between the industrial north and the agricultural south was reflected at every stage of westward expansion. It was not by chance that the charter to the Union Pacific and Lincoln's free-homestead policy both came in 1862 in the midst of civil war to safeguard the ascendancy of the Union. Similarly the railway land grant system, defensible and perhaps indispensable though it seemed to be, was finally applied in Canada at a time when it was being deliberately discarded and discredited in the United States. There were technical differences also in the Canadian Pacific land grants which made the Canadian practice almost unique. The free-homestead system was long regarded as a corollary of free homesteads in the United States; but its adoption was neither so sudden nor so perfunctory as one might infer from the debates. Behind the Dominion Lands Act of 1872, as we shall see, lay almost a whole generation of controversy in the old province of Canada between land sales and free lands; with the lumber interests playing much the same part as that played for so many years by the industrial east against Benton's free lands policy for the frontier. The historic origins of pre-emption regulations to safeguard "squatters' rights" in the United States had no counterpart in the normal pre-emption regulations in Canada which were devised for the homesteader already established upon a contiguous quarter section of free land. The name was the same, but it would be hard to devise a greater contrast in origin and purpose.

These and many other anomalies, however, are easily lost sight of in the innumerable analogies of environment and technique. Even personnel played its part; for there were no more resourceful pioneers for "the last frontier" in the Canadian West than those who had already shared the earlier and more spectacular development of the western states. For the new and untried Dominion in 1867 the full value of that prodigious experiment—the resourcefulness and unprecedented progress of their gigantic neighbour to the south—was scarcely appreciated. Many of the most significant lessons were misunderstood or undiscerningly applied. In some respects antipathy played as large a part as imitation, for some of

the most distinctive features of "Dominion Lands" policy during the cycle of federal administration are traceable to the desperate national emergency of those days. The new Dominion happily found at its door a vast store of experience on a scale hitherto unheard-of; it found also at times a menace, as it seemed, which made a constructive national policy imperative.

#### 4. *The Surveys*

The preliminary surveys which supplied the first pretext for the Riel Insurrection had been begun with commendable foresight before the transfer in order to expedite the "Dawson route" to Canada and to forestall the confusion threatened by rapid immigration. The relief of distress after a plague of locusts was less plausibly avowed at Red River. A system of survey devised more than a year before the transfer, was formally approved by Order-in-Council on September 23, 1869.

It is clear that the general outline came from the United States; but McDougall's first plan, confirmed by Col. Dennis in the field after careful consultation with officials of the United States Land Office, introduced several very significant variations. The rectangular system was adopted from the beginning; but since "the first emigrants and the most desirable", wrote McDougall, "will probably go from Canada", it was thought advisable to "offer them lots of a size to which they have been accustomed." The sections, therefore, were to be 800 acres instead of 640; with 64 sections—53,760 acres in all, including road allowance—to the township. A third variation proved to be a more permanent feature of the Canadian survey. Five per cent., or a total of 40 acres to each section, was added as an allowance for public roads<sup>13</sup> instead of leaving the road allowance, as in the United States, to be provided from the grant itself. A fourth variation, of incalculable value, as it proved, in the development of the Canadian West, was made possible by the fact that Dominion Lands comprising five times the area of the original federation had been transferred to Canada on a single day. A uniform and integrated survey was feasible throughout a quarter of the continent, instead of the variety of base lines and more than a score of meridians that had been forced upon the United States in its piecemeal expansion to the Pacific. The Dominion government, as Sir John A. Macdonald was after-

<sup>13</sup> Changed to 99 feet (1 chain 50 links) by the Order-in-Council of April 25, 1871, and ten years later changed to 66 feet (1 chain). *Sessional Papers of Canada, 1884, No. 12, Part 2, p. 9.*

wards able to boast, had "the advantage of having one great country before us to do as we like", and "one vast system of survey, uniform over the whole of it."<sup>14</sup> The accuracy of the Canadian

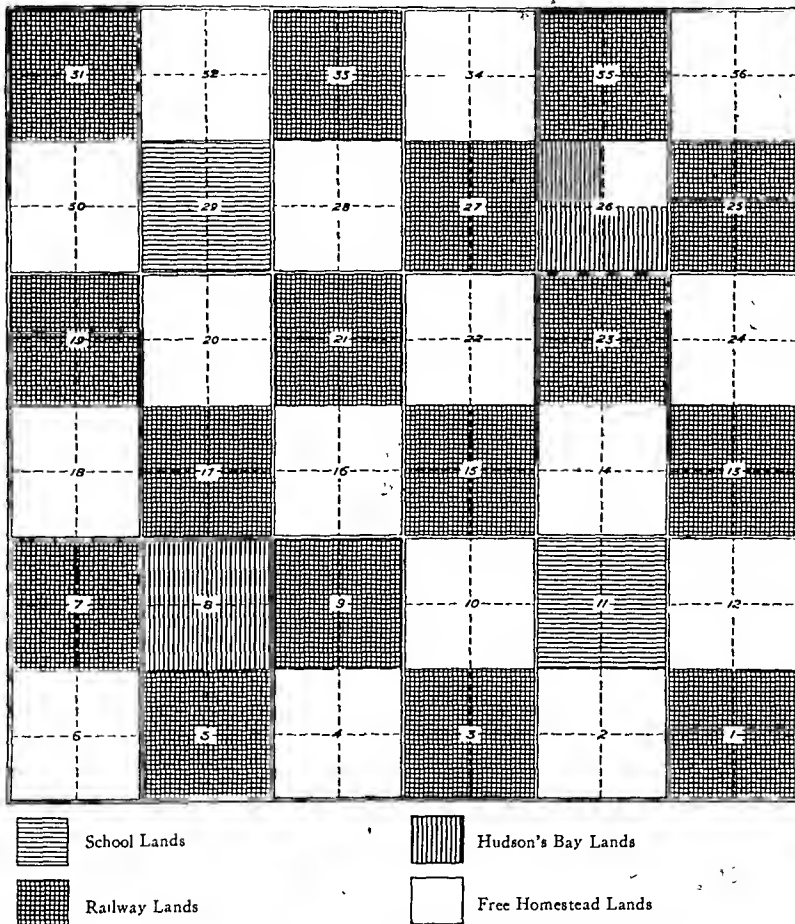


FIG. 8—Plan of Township showing: (a) School Lands (Sections 11 and 29), (b) Hudson's Bay lands (Sections 8 and three-quarters of 26, the whole of 26 in every fifth township), (c) Free Homestead lands (even-numbered sections, except 8 and 26), (d) Railway lands (odd-numbered sections reserved for selection as railway land grants). Each section is bounded on three sides by road allowance (66 feet).

survey was further increased by the use of the astronomical system instead of the magnetic or solar compass. McDougall's variations remained permanent features of Dominion Lands except for the

<sup>14</sup> *Debates of the House of Commons, Canada, 1883, p. 874.*

area of the section and the township. An Order-in-Council of April 25, 1871, fixed the section at 640 acres as in the United States, and the township at 36 sections—each a square mile in both size and shape—and thus the same nominal units of survey came into use from the Rio Grande to the Arctic Ocean (Fig. 8). It is a curious reflection that this may perhaps be numbered among the results of the Riel Insurrection. Had Col. Dennis and his chief, Governor-elect McDougall, not been discredited by that fiasco, it is possible that the Canadian section might have remained one-quarter as large again, and the township two and one-third times as large, as those of the United States.

It was decided to number the townships north from the international boundary as a base line and to run the ranges of townships east and west of the Fort Garry meridian. In Canada the numbering of the 36 sections of the township from the base line at the boundary naturally began from the lower right-hand (south-eastern) corner of the township instead of from the north-eastern corner as in the United States (see Fig. 8a).

Several minor variations became immediately necessary in dealing with conditions that survived the transfer. By the terms of surrender the title to river lots under the Hudson's Bay Company was to be confirmed, and the river lot system was continued, chiefly for the *Métis* who wanted it, on the South Saskatchewan, the Bow, the Belly, and the Red Deer Rivers, until it was finally abandoned and the sectional survey adopted for all Dominion Lands in February, 1884. Special systems have also been devised from time to time in areas like the irrigation lands of the Canadian Pacific Railway, to conform to topographical or climatic conditions; but though approved by federal and provincial departments and found to have reduced the cost of roads and bridges "to the extent of probably 75 per cent.", the preference for the sectional survey has been such that settlers have been known to pool their purchases and revert to the original practice.<sup>15</sup> The new policies in the Prairie Provinces and particularly in Saskatchewan in modifying the free homestead and if necessary the old haphazard quarter section in order to utilize scientific soil surveys and ensure adequate allotments of arable and pasture where available to each purchaser, marks a radical departure in land policy. In 1870, however, rapid

<sup>15</sup> Unpublished notes of the late William Pearce whose administration in the Department of the Interior and afterwards with the C.P.R. left him with a remarkable range of experience in the development of Western Canada.

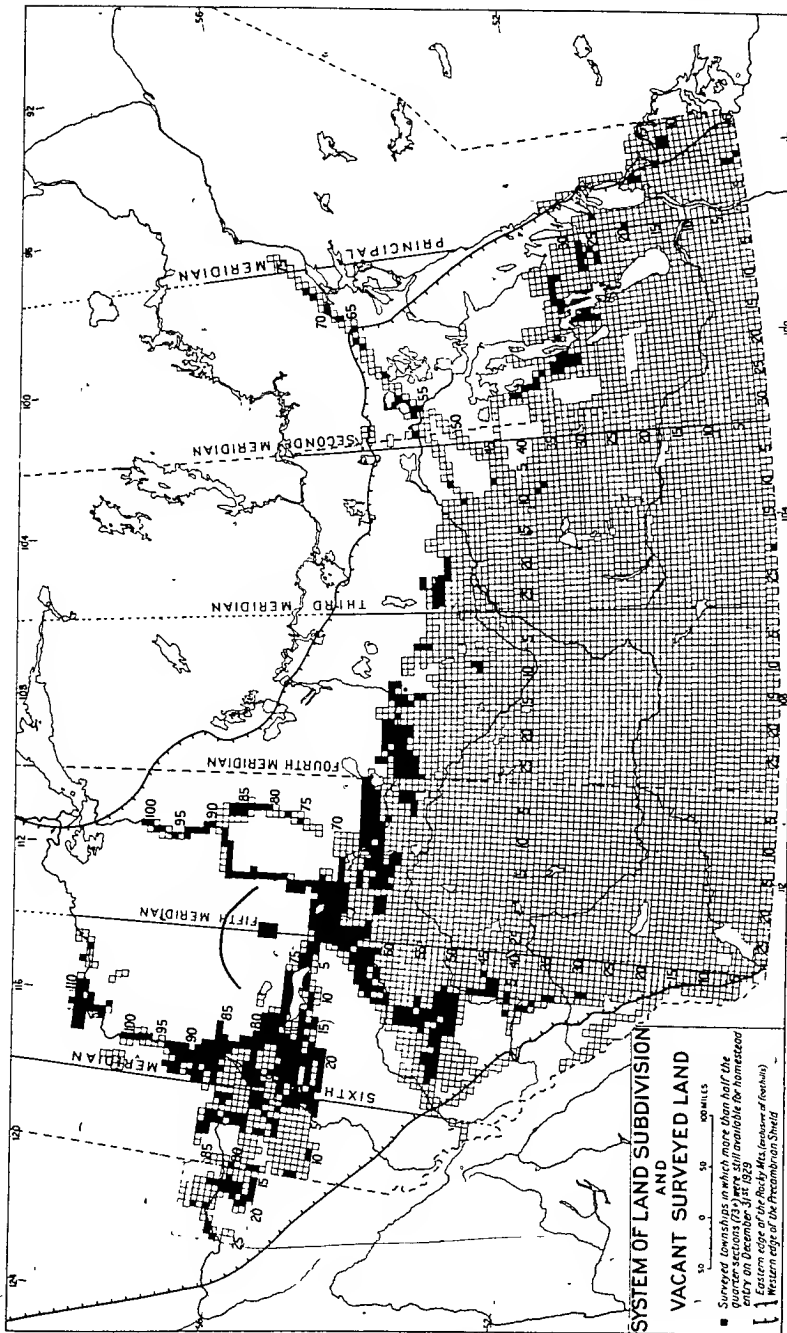


FIG. 8a.—System of land subdivision in the Prairie Provinces (based on published map and supplementary data provided by the Topographical Survey of Canada). The surveyed area is outlined as of June 30, 1933. The solid black areas represent townships in which more than 50 per cent. of the quarter sections were vacant in December, 1929. This information was obtained from the published map of the National Resources Intelligence Service, scale, 35 miles to 1 inch, 10th edition, 1929, showing in red figures the number of vacant quarter sections in the township at that date. The designation of the meridians and the numbering of the townships (vertical series) and ranges (horizontal series) on this map will enable the reader to identify localities defined in these terms in the text.

and indiscriminate settlement rather than adjustment was the order of the day. The government was content to forestall if possible the interminable disputes about "graduation", "donation", squatters' rights and "pre-emption" privileges in the United States by a scientific system of survey pushed forward with speed and accuracy in advance of actual settlement.

#### 5. *Half-Breed Grants and Hudson's Bay Reserves*

In the United States the problems of squatters' rights and "donations" had arisen from the enterprising frontiersman pushing forward in advance of the land office and feeling overcrowded when he could see the smoke of his neighbour's chimney. To this there was little counterpart in Dominion Lands except from the conservative and unenterprising conditions of life at Red River under the technique of the fur trade. The Scottish settlers were not much concerned in the approaching change. They sympathized with their less fortunate neighbours but "never had any doubt that the matter would soon right itself." The very improvidence and credulous good-nature of the *Métis*, however, left them without protection against those whose officials at Red River had already forfeited their confidence. The rough horse-play of a chain-man in a survey party could arouse more suspicions than the most scrupulous official courtesies could allay. These suspicions were easily stirred into insurrection by Riel. They were skilfully transmuted, as we have seen, into much more discerning safeguards for their race, religion, and language in the Manitoba Act; but there can be no doubt that the immediate cause alleged then and since for the only two occasions of bloodshed in the westward expansion of Canada to the Pacific was the menace of "Dominion Lands" policy.

This constant but baffling factor is traceable in both the Insurrection of 1869-70 and the Rebellion of 1885. Archbishop Machray in 1870 assured the Governor-General confidentially that "they wish for a section of the country to be restricted to the French population". In the various lists of rights drawn up during the transfer the place of land policy could be illustrated in great detail. There were demands for "a portion of the Public Lands", to be "appropriated to the benefit of Schools, the building of Bridges, Roads, and Public Buildings"; for railway land grants "to be subject to the Local Legislature"; for "full control over all the public land", whether as a province or as a territory, and for the

"right to amend all acts or arrangements made or entered into with reference to the public lands of Rupert's Land and the North-West." The success of the Dominion in retaining the public lands "for the purposes of the Dominion" was regarded by both Macdonald and Cartier as the most significant feature of the Manitoba Act.

The price of this achievement, as we have seen, was the provision (33 Vict., c. 3, s. 31) that "ungranted lands, to the extent of one million four hundred thousand acres" be appropriated "for the benefit of the families of the half-breed residents." This area, almost exactly the size of Prince Edward Island, was to be divided "among the children of the half-breed heads of families residing in the Province at the time of the said transfer to Canada."

The method of carrying out these provisions had curious and unforeseen consequences. For the improvident and semi-nomadic *Métis*—the buffalo hunter, the "freighter", and the fisherman—settlement duties were obviously irksome. Many also who would have disavowed Indian blood were now induced to claim it. The general selection of these early reserves devolved very largely upon Archbishop Taché for the French-speaking and Archbishop Macchray for the English-speaking *Métis*. Among the various "grievances" which developed very early in Manitoba, the half-breed grants were perhaps the first and the most general. It was assumed that long familiarity with the country would enable the grantees to reserve, often for unproductive use, the best lands in the province. But the criticism, as it proved, was curiously wide of the mark. In reviewing the half-breed claims after the Rebellion in 1885, the Commissioner dispelled many illusions on both sides. With regard to 90 per cent. of half-breed grants, "if it had been the object . . . to select the poorest land available, then they succeeded." Much was afterwards sold "for a fraction of a dollar per acre." Not more than 25 per cent. was either occupied or improved. Chosen largely for hay and firewood, the half-breed grants could not compete with the cordwood brought by rail from the Winnipeg River district. Retreating to the Saskatchewan before the rising tide of immigration the *Métis* clung for another decade or two to the wild life of the plains and the river. In the Riel Rebellion of 1885 the sectional survey<sup>16</sup> and the half-breed claims are still to be found among their grievances. Many of these, like the counter-grievances of their critics, were found to be wide of the mark.

<sup>16</sup> Replacing altogether, by the regulations of February, 1884, the river lots in the granting of land.



More than 92 per cent. of the *Métis* in the Rebellion of 1885 were found to have been Manitoba *Métis*, and "not 2 per cent. were residing on any lands" in the North-West Territories at the time of the transfer.<sup>17</sup>

The application of section 31 of the Manitoba Act brought a long train of difficulties. The original phrase was "children of the half-breed heads of families". Four years after the transfer the "half-breed heads of families" themselves were provided for (37 Vict., c. 20) by grants of 160 acres or \$160 in scrip applicable to the purchase of Dominion Lands.<sup>18</sup> After 1876, "half-breed heads of families" were entitled (Order-in-Council, March 23), to scrip only. Speculators exploiting the improvidence of the *Métis* were soon doing a thriving business in half-breed scrip. The original grant of 1,400,000 acres to "children of the half-breed heads of families" was thought to allow 240 acres to each child, but even after the Minister of the Interior reported (April 12, 1880) that the whole acreage had been disposed of, scrip for \$240 was still being issued (Order-in-Council, April 20, 1885) for unsettled claims. The total grant in Manitoba was found to be 1,448,160 acres; and the amount of scrip to heads of families \$509,760.

These lavish grants to the *Métis* raised inevitably the problem of the Selkirk Settlers, and retired Hudson's Bay men who had borne the burden and heat of the day. While their titles from the Company were guaranteed,<sup>19</sup> they had not shared in the largesse of Dominion Lands, and the brisk era of the railway and the land-boom threatened to pass them by. In 1874 (36 Vict., c. 37) grants of one quarter section, amplified in 1875 to scrip for \$160, were provided for all original white settlers or their children who had settled at Red River during the Selkirk régime from 1812 to 1835. All these grants together, however, form a very trivial proportion of the 175,000,000 acres entered under pre-emption regulations in the United States up to 1883.<sup>20</sup> The new Dominion thus began its administration with a comparatively clean slate.

In the process of extinguishing the Indian title successive Indian

<sup>17</sup> Unpublished notes of William Pearce.

<sup>18</sup> The term was afterwards made applicable to the mother as well as to the father.

<sup>19</sup> In the Manitoba Act, section 32. "Freehold by grant from the Crown" was provided for all freehold from the Company, or "less than freehold", or "occupancy with the sanction and under the license and authority of the Hudson's Bay Company". For those in "peaceable possession . . . in those parts of the Province in which the Indian Title has not been extinguished", rights of pre-emption in the American use of that term, were provided. "Peaceable possession" was afterwards defined as "undisturbed occupancy" and entitled to grant in fee simple.

<sup>20</sup> Donaldson, *The Public Domain* (Washington, 1884), p. 1247.

Treaties, ten in number, have provided for 240 acres or scrip for \$240 on Dominion Lands, for half-breed claims not previously satisfied. With the last of these—Treaty No. 10 at Fort Providence, June 27, 1921—"it is confidently believed that the claims of the half-breeds arising out of the extinguishment of the Indian title have been finally closed."<sup>21</sup> In all some 24,326 half-breed claims have been dealt with since 1870; 10,213 in the old Province of Manitoba and 14,113 in the old Territories now Saskatchewan and Alberta.

TABLE I—HALF-BREED GRANTS\*

AREA	CLAIMS (no)	ACREAGE	MONEY SCRIP (dollars)
MANITOBA			
Children of half-breed heads of families..	6,034	1,448,160	.....
Ditto, supplementary claims.....	993	.....	238,300
Half-breed heads of families.....	3,186	.....	509,760
	10,213	1,448,160	748,060
NORTH-WEST TERRITORIES (SASKATCHEWAN AND ALBERTA)			
Land Scrip....	4,840	1,161,612	.....
Money Scrip.....	9,101	.....	2,095,817
Cash (Mackenzie District).....	172	.....	41,280
	14,113	1,161,612	2,885,157
Total..	24,326	2,609,772	3,633,217

\*Information supplied by Dominion Government. All these grants were authorized before 1905 except 84,040 acres and \$79,200 of money scrip. Since 1905 the total acreage issued has been 121,200 acres.

In one respect there were reservations in Western Canada which had no counterpart in the United States. By the terms of surrender, as we have seen, blocks of land not to exceed 50,000 acres adjoining their trading-posts were to be reserved to the Hudson's Bay Company, together with one-twentieth of the land within the fertile belt. The Hudson's Bay reserves thus came to be associated with the railway land grants in the "land-lock" which formed the perennial grievance of the western pioneer for a generation. Like

<sup>21</sup> Evidence before the Saskatchewan Resources Commission, 1934. This invaluable unpublished material on Dominion Lands will be referred to in the following pages as *Sask. Res. Comm.*

the clergy reserves in Upper Canada they brought prejudices as well as profit in their train.

In 1868 the Company had been prepared to waive land reserves and to accept £1,000,000 "in hard money". The acceptance of £300,000 only, in cash, would seem to imply a valuation of £700,000 for one-twentieth of Western Canada. There is a tradition that Canada acquiesced in order to enlist the active coöperation of the Company rather than "cold business indifference" in the process of land settlement; and also a later tradition that had the Liberal government returned to power in 1878, the purchase of the Hudson's Bay reserves would have been carried through "for \$1 per acre".<sup>22</sup>

In the ulterior problems of permanent and rapid settlement the interest of the Company could scarcely be expected to compare with that of the government or of a pioneering railway. For the Company their chief concern was to sell their lands to the best advantage; and with the sale of the land their interest came to an end. For the railway the traffic of the immigrant—his chattels and his goods in one direction and his wheat in the other—could be relied upon to dwarf the initial prices charged for railway lands. The criticism was inevitable that the Hudson's Bay Company tended to "sit tight and get every dollar out of the lands it was possible to obtain"—a tradition curiously reminiscent of the Canada Company and of every other vested interest that has ventured to withstand the doctrine of free land.

While neither the policy of the Company nor the price obtained can fairly be compared to a general "sales" policy by the government, there are special features which afford an interesting parallel. A vast area was involved, nearly half the area of New Brunswick, and distributed evenly over the whole region of settlement. The chief function of these lands, as the Company could fairly claim, was to supply the compensation which had been denied them "in hard money" in 1868. With School Lands, University Lands, Swamp Lands and several other categories, Hudson's Bay lands formed the classic example of lands administered by a "sales" policy for revenue, in a region administered by the government for vastly different purposes.

The method of reservation for the one-twentieth of the fertile belt was fixed by the Dominion Lands Act of 1872. Since there were 36 sections in each township it was decided to allot section 8

<sup>22</sup> "That matter was arranged for but not made public". Unpublished notes by William Pearce.

and three-quarters of 26 in each township, corresponding in location to sections 11 and 29 for school lands. In order to complete the one-twentieth, the whole of section 26 was assigned to the Company in every fifth township.<sup>23</sup> The fertile belt, as we have seen, was bounded "on the south side by the United States boundary, on the west side by the Rocky Mountains; on the north by the northern branch of the Saskatchewan River; on the east by Lake Winnipeg, Lake of the Woods, and the waters connecting them." The blocks of land adjoining the trading-posts were listed in a schedule attached to the Deed of Surrender,<sup>24</sup> and completed by Order-in-Council of December 17, 1885.

After the passing of the early bitterness attending the transfer, a series of interesting controversies arising out of Hudson's Bay lands has been settled as a rule by mutual accommodation. The Company has claimed successfully one-twentieth of timber and grazing leases upon unsurveyed areas. "Indemnity selection" for fractional sections, for timber lands denuded under timber leases, for lands already settled, or other allotments not available to the Company, was permitted upon a generous scale, though the Dominion stood rigidly upon its rights in excluding Indian Reserves, Forest Reserves, National Parks, and lands claimed by virtue of Hudson's Bay tenures, from the operation of the statute. A final compromise was effected on December 23, 1924, when the Company agreed to surrender altogether the areas in Indian Reserves, in Rocky Mountain Park, Waterton Lake Park, and Rocky Mountain Forest Reserve, and to accept Dominion Lands to be selected by the Company in lieu of their sections in all other parks and forest reserves. This final settlement gave the Company, it was estimated, 6,639,059 acres from its claims in the "fertile belt".<sup>25</sup>

Hudson's Bay lands have usually been taken up by the Company by "notification" under 37 Vict., c. 19, s. 5 by which the Minister's notification to the Governor of the Company upon the completion of the survey was to "operate to pass the title in fee simple . . . without the issue of a patent." For the adjustments which became necessary from time to time Dominion patents were issued in the usual way. The surveyed area of Hudson's Bay lands to 1917 was estimated at 6,397,200 acres of which 908,511 were patented and 5,488,689 held by notification. It would thus seem that nearly

<sup>23</sup> Thus reserving 36 quarter sections out of 720. See Fig. 8.

<sup>24</sup> November 19, 1869, formally accepted June 22, 1870.

<sup>25</sup> *Evidence before the Alberta Resources Commission, 1934*, unpublished. Hereafter referred to as *Alberta Res. Comm.*

one-seventh of the acreage vested in the Company was allotted in the process of adjustment. The total original distribution of Hudson's Bay lands by provinces was estimated<sup>26</sup> as follows:

Manitoba.....	1,274,147 acres
Saskatchewan.....	3,352,958 "
Alberta.....	2,404,152 "

Total..... 7,031,257 acres

The land sales of the Hudson's Bay Company, as reported annually to the Dominion Government,<sup>27</sup> will be found in Table II.

TABLE II—LAND SALES OF THE HUDSON'S BAY COMPANY\*

YEAR	AREA (thousands of acres)	AMOUNT (thousands of dollars)	YEAR	AREA (thousands of acres)	AMOUNT (thousands of dollars)
1894 . . . . .	8	42	1913.....	54	1,129
1895 . . . . .	4	23	1914.....	26	573
1896 . . . . .	9	52	1915 . . . . .	16	307
1897 . . . . .	11	53	1916.....	79	1,273
1898. . . . .	62	310	1917....	255	4,234
1899 . . . . .	57	275	1918.....	386	6,915
1900.....	70	353	1919. . . . .	286	4,979
1901.....	82	400	1920.....	277	4,725
1902.....	270	1,412	1921.....	178	3,037
1903.....	330	1,940	1922.. . . .	34	546
1904.....	145	880	1923 . . . . .	25	366
1905 . . . . .	140	866	1924 . . . . .	33	456
1906.....	236	1,863	1925.. . . .	85	1,118
1907 . . . . .	69	742	1926 . . . . .	185	2,276
1908.....	21	267	1927 . . . . .	283	3,415
1909 . . . . .	25	289	1928 . . . . .	290	3,547
1910.....	104	1,297	1929.....	290	3,350
1911 . . . . .	267	3,748	1930.....	216	2,092
1912. . . . .	43	809			
			TOTALS.....	4,951	59,963

\* Report of the Department of the Interior, 1930, p. 27.

<sup>26</sup> Report of Department of the Interior 1920-30 (Ottawa: King's Printer), p. 26. After the compromise of 1924, as we have seen, the estimated total was 6,639,059 acres

<sup>27</sup> Report of the Department of the Interior, 1930, p. 27. In the acreage no account is taken of cancellations and revestments. Similarly the amounts represent "contract sale price, only, which was payable over a term of years, and do not represent cash receipts". *Sask. Res. Comm.*

The average sale price per acre and the cancellations or revestments of Hudson's Bay lands afford interesting standards of comparison with other categories. Over the twenty-one year period from 1906 to 1927 the total acreage sold was 2,851,502 and the total acreage revested or cancelled was 607,129 acres, or 21.29 per cent. of sales. The average sale price of all Hudson's Bay lands has been \$12.10 per acre as compared with \$8.55 for the C.P.R. Assuming an average of 20 per cent. of cancellations or revestments over the whole period it would seem that less than 4,000,000 acres out of more than 6,639,000 had been permanently sold. The map of Hudson's Bay lands as early as 1914 shows little left in areas like the Regina Plains or southern Manitoba west of the Red River, or the strip from Lethbridge to Red Deer in Alberta. The prevalence of broken sections, however, indicates an "error of policy" now conceded by their own officials: "never to sell the whole of one of their sections. . . . They would sell half of it hoping that the other would increase in value. . . . When land in a district is moving, that is the time. . . . The Hudson's Bay are now saddled with land in townships all over Western Canada where there is no one adjacent to buy it. . . . That is something which will explain why the Hudson's Bay have so much land still on hand."<sup>28</sup> A still more important factor, beyond a doubt, was the even distribution of Hudson's Bay lands over the whole "fertile belt" without "selection" by the Company. Thus while the C.P.R., out of a total of 6,216,000 acres of selected "main line" land grants in Saskatchewan had sold all but 563,659 acres (December, 1933),<sup>29</sup> the Hudson's Bay Company out of more than 6,630,000 acres in the fertile belt had more than 2,600,000 still unsold in 1930.

<sup>28</sup> *Sask. Res. Comm.*

<sup>29</sup> *Ibid.*

### CHAPTER III

## RAILWAY LAND GRANTS: THE CANADIAN PACIFIC

### *1. A Kingdom for a Horse*

SEVERAL features of "Dominion Lands" policy were fore-ordained, as we have seen, by the historic "purposes of the Dominion" in retaining the administration of public lands after the transfer in 1870. Railways and national consolidation became the twin problems of Canadian politics. The settlement of the West and its integration into Canadian national life was of course the ultimate goal of all land policy; but in 1869 the immediate problem of means was more desperately urgent than the mode. The decade from the Homestead Act and the charter to the Union Pacific in 1862 had revolutionized the functions of the public domain in the United States: with ominous possibilities, as many thought, for "the destiny of the British possessions west of the 91st meridian". Lands in Western Canada could never be settled, and perhaps could never be held, without a Canadian railway.

This national factor in Canadian expansion westward has already been referred to; it is traceable at almost every stage of the process. Watkin's mercurial schemes for the Grand Trunk were coloured and sanctified by it. Projects could be destroyed as well as inspired by it. On strictly economic grounds an accommodation between the Grand Trunk and the Northern Pacific may well have been the soundest plan of transcontinental railway development ever devised for that day in Canada. Sir John Rose and Watkin himself both saw the economic advantages. Neither could withstand the national considerations to the contrary.

But if the policy of the United States in their gigantic strides across the continent filled Canadian statesmen with concern, it also supplied them with an example and an incentive. No phase of "Dominion Lands" policy perhaps was so nearly ready-made to their hand as the railway land grant system. It is true that many of the historic origins of that system in the United States were not present in Canada. Like the features of the public domain which

received such extravagant praise from Lord Durham<sup>1</sup> when the whole system of "sales policy" was on the point of retreat in the United States, the railway land grant system seemed to be a post-humous development in Canada. When it was first projected it was already passing away south of the boundary, and when it was first applied in Canada it was not only obsolete but discredited in the United States.

For twenty-two years—from the Illinois Central in 1850 to the Chicago and Northwestern in 1873—the railway land grant system had spread devastation in politics and public finance. But the railways had been built. The Union Pacific, the first transcontinental, had been completed, and the Northern Pacific was already under way when the whole railway land grant system in the United States was swept away by a disillusioned frontier. In Canada the system was appropriated just as it was disappearing in the United States, and it took almost exactly the same time to run its course from the abortive C.P.R. charter of 1873 to the last railway grant from "Dominion Lands" in 1894. What was the achievement of the Canadian experiment and what was the price? Was it adopted in defiance or in ignorance of experience in the United States; or were both experiments merely psychological phases in the development of the frontier? Was the cycle, in other words, twenty years later in closing in Canada merely because it was twenty years later in beginning? The total area alienated in railway land grants in Western Canada was about 32,000,000 acres, almost exactly the area of the kingdom which King Richard was ready to give for a horse at Bosworth Field. What kind of a kingdom was granted for the iron horse in this national emergency, and what were the functions of the "land grant railways" (Figs. 9 to 18) in the settlement and development of the Canadian West?

## 2. *Origins in the United States*

The use of the public domain in the cause of national transportation—for roads and canals—was already a familiar practice in the United States when the railway appeared and proceeded like Cronos to devour its children. Each of three clearly marked stages had its own peculiar origin in the politics and economic expansion of the republic. All three had virtually come to an end a decade before the final charter to the Canadian Pacific Railway.

<sup>1</sup> See below, p. 358.



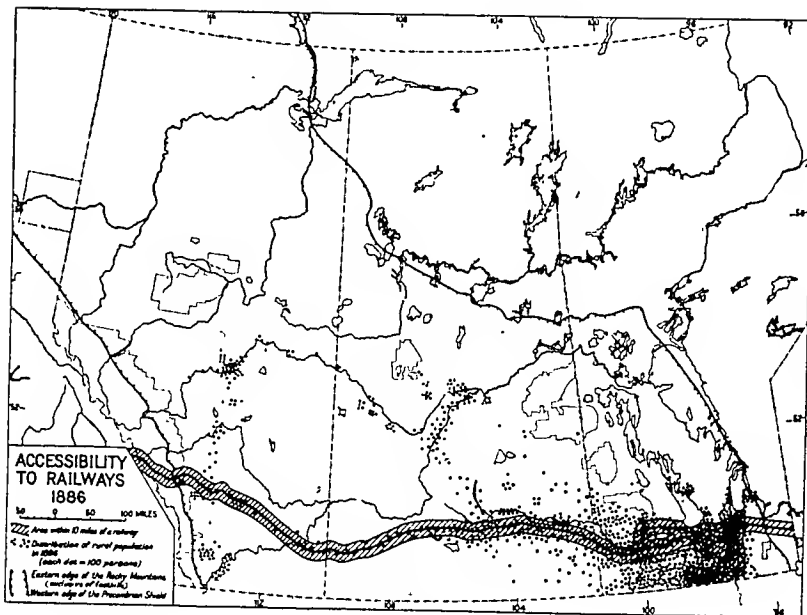


FIG. 9

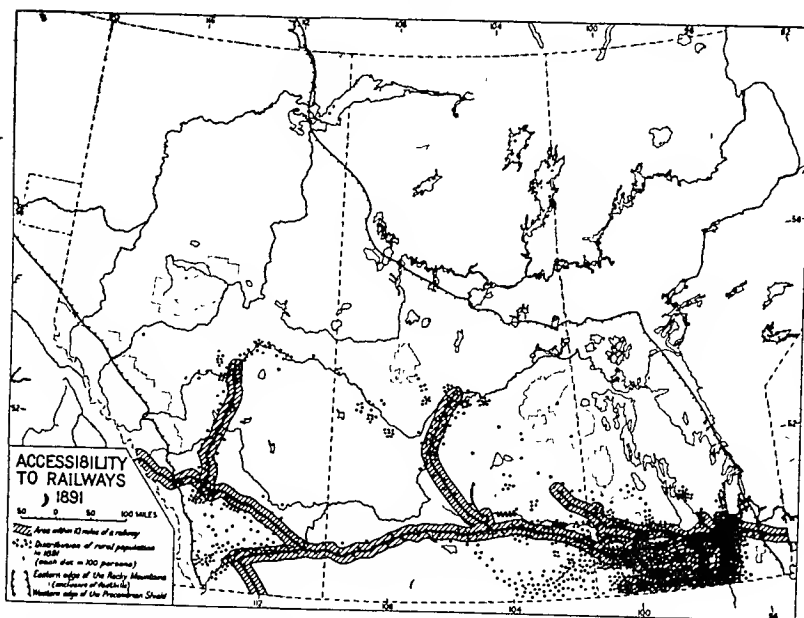


FIG. 10

FIGS. 9-18—A series of ten maps showing the relation of railways to the distribution of the rural population in the Prairie Provinces from 1886 to 1931. Accessibility is indicated by means of bands 20 miles wide enveloping the railway lines, 10 miles from a railway representing the economic range for agriculture. For further explanation see the legends on the maps. For sources see caption under Fig. 12<sup>a</sup>

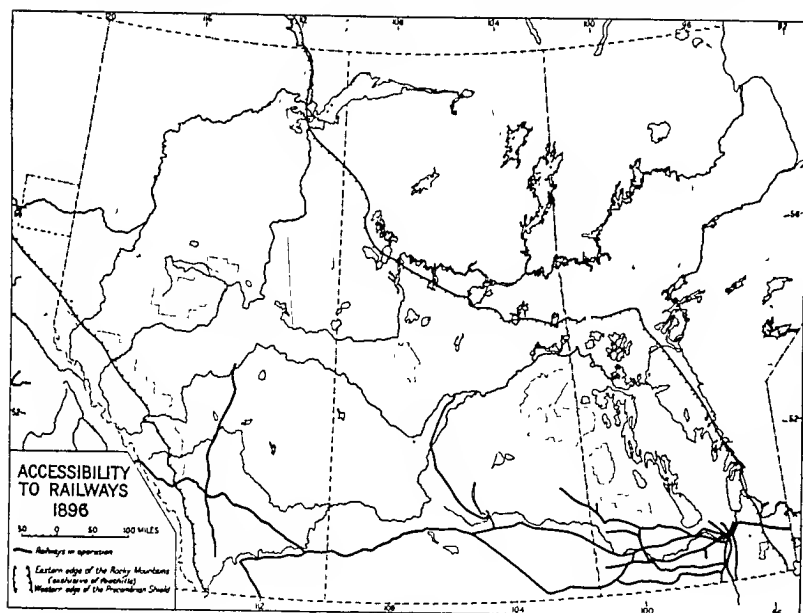


FIG. 11

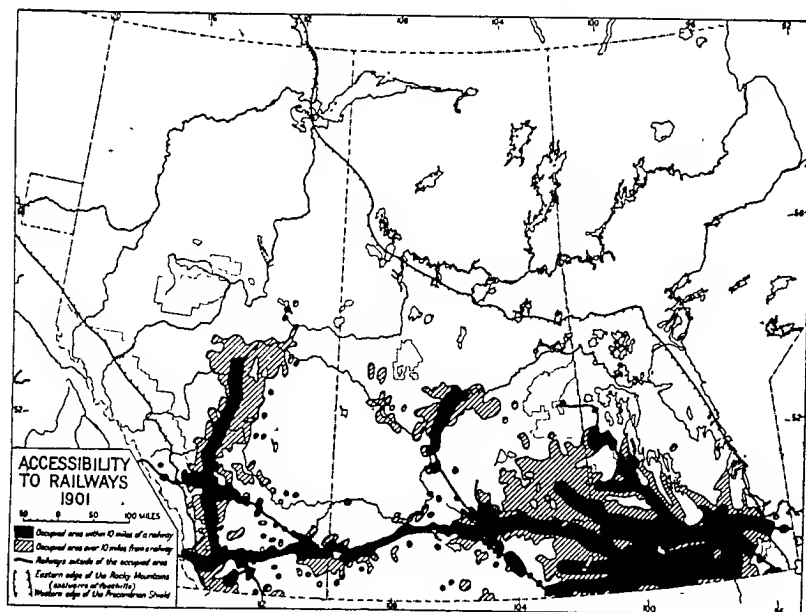


FIG. 12

For Figures 9-18 the year indicated in each map refers to June for the census of population and to December of the preceding year for the extent of the railway network. Railways are based on manuscript maps provided by the National Development Bureau, Ottawa. Population is based on the quinquennial census published by the Dominion Bureau of Statistics, Ottawa. The settled area, shown from 1901 on (Fig. 12), is outlined from the township population shown in the census.

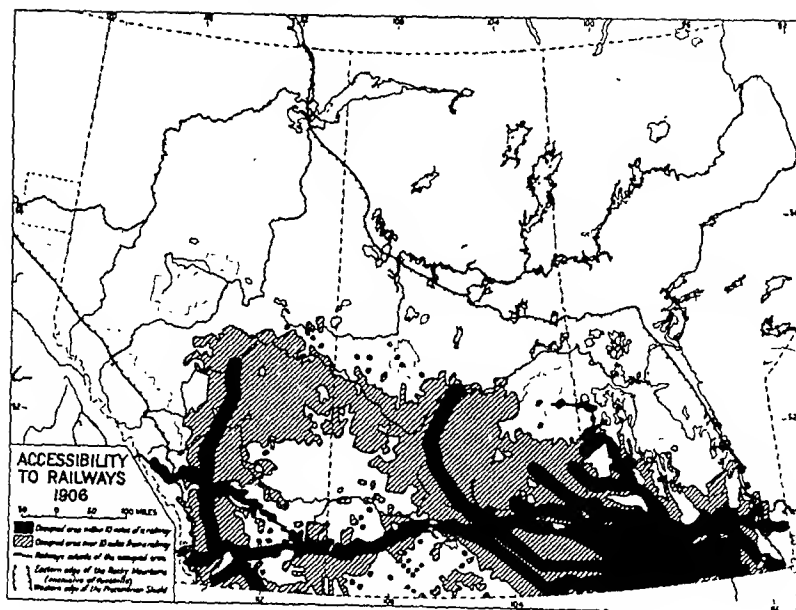


FIG. 13

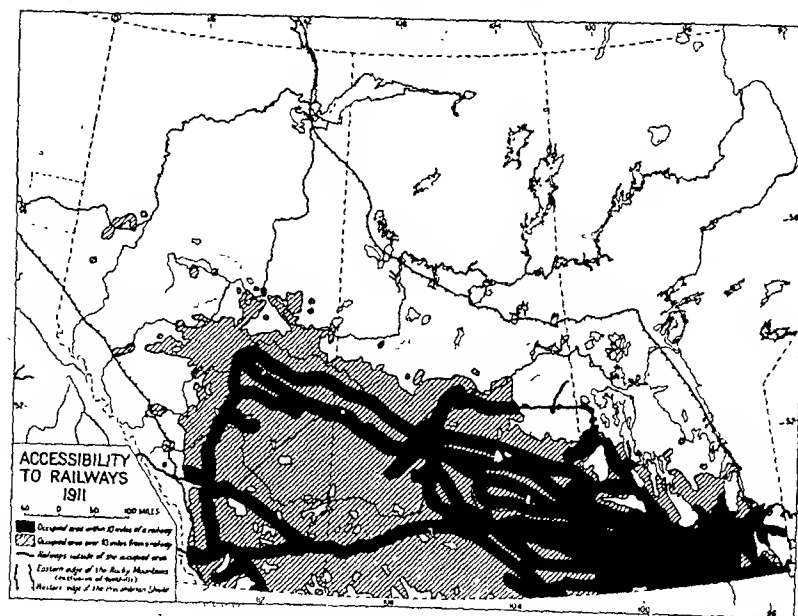


FIG. 14

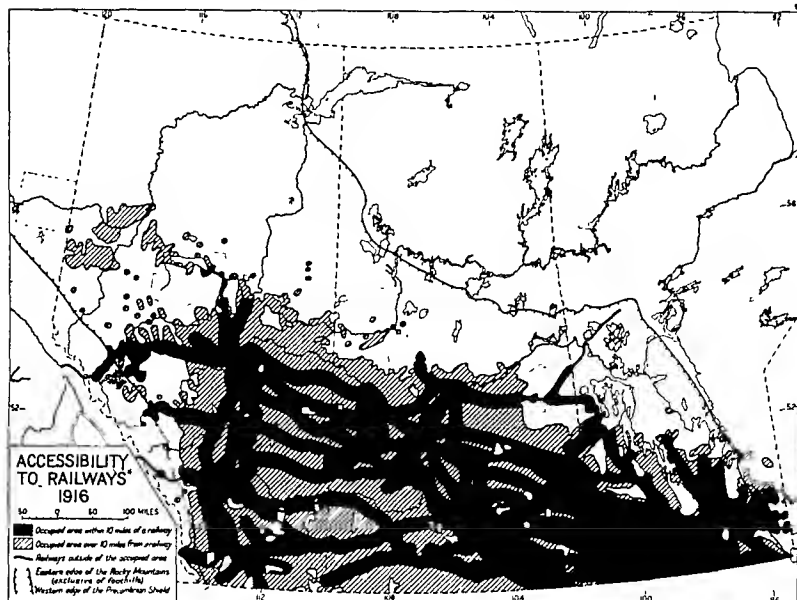


FIG. 15

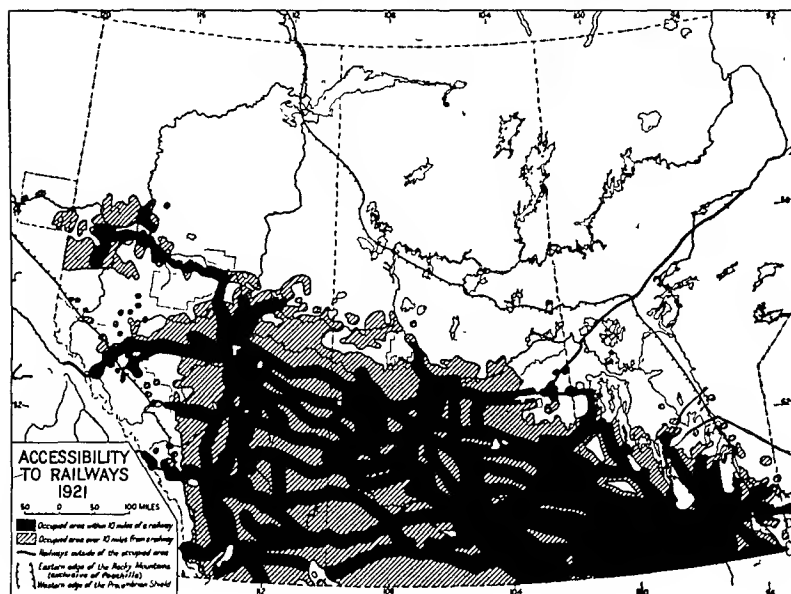


FIG. 16

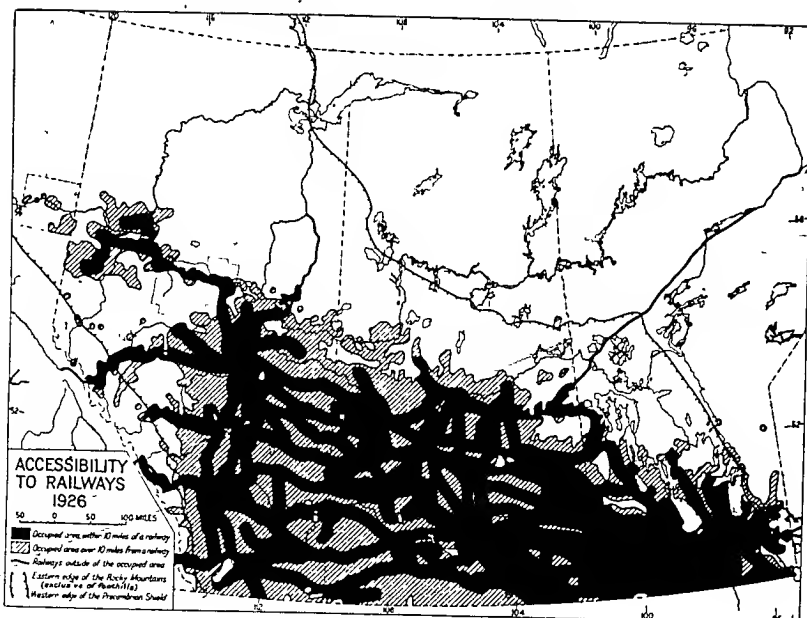


FIG. 17

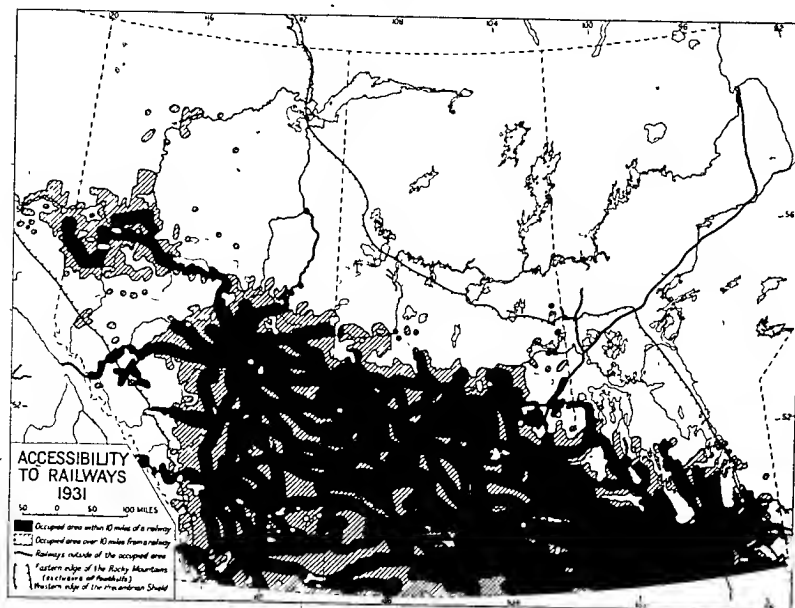


FIG. 18

When Ohio was organized as a state in 1802 it was provided that one-twentieth of the net proceeds from the sales of the public domain was to be granted for "laying out and making public roads, leading from the navigable waters emptying into the Atlantic, to the Ohio, to the said State and through the same." This was changed in the following year to three per cent. for road-building within the state; and states subsequently admitted to the Union received similar grants of three, two, or five per cent. for the same purpose. Meanwhile Congress, relying still upon a "sales policy" for the public domain, was undertaking a series of national highways to the frontier. The Cumberland road, a national artery from the Atlantic for the development of the hinterlands, was subsidized, and a two-mile strip of the public domain was granted to Ohio for that purpose.

The use of the public domain even for national projects like the Cumberland road had to run the gauntlet of tradition with regard to the true function of the public domain. To Alexander Hamilton it had been a national endowment, the most palpable bond of the federation, the security for the public debt. It was another generation before these principles were openly challenged and the frontiersman began to make good his claim to the land which his own enterprise had to conquer from the wilderness. With the rise of Jacksonian democracy liberal grants were made for both railways and canals, but still to the accompaniment of sectional controversy. In the industrial east, vitally interested in low wages and high tariffs, there was a conflict of interest, since cheap or free lands, on the one hand, would mean westward migration and therefore a dwindling supply of industrial labour, while land sales, on the other hand, would swell the national treasury and thus reduce the fiscal dependence of the nation upon the tariff. The agricultural south, long favourable both to low tariffs and to cheap land, seemed instinctively the ally of the frontier. For twenty years, Benton, by birth a southerner from Tennessee, championed the "squatter", and advocated in Congress "log cabin bills" for cheap lands to the pioneer.<sup>2</sup> Calhoun went farther and advocated "retrocession" of the lands to frontier states themselves. It was in opposition to both Benton and Calhoun that Henry Clay carried through Congress his compromise to "appropriate . . . the proceeds of the sale of Public Lands" to the several states of the Union. The measure was vetoed by President Jackson himself in 1833.

<sup>2</sup> T. H. Benton, *Thirty Years' View* (1820-50). New York, 1871.

The frontier states, however, were soon in a position to extort a more liberal share of the public domain. During the thirty years from 1824 nearly 3,750,000 acres of public lands were granted to Indiana, Ohio, Illinois, Wisconsin, and Michigan for the construction of canals. The grant usually took the form of alternate sections in a five mile strip, two and one-half sections deep on either side of the canal. As early as 1827 Indiana received a land grant for a wagon road from Lake Michigan to the Ohio River, and in the same year Ohio was granted alternate sections along a road from Columbus to Sandusky. During the sixties more than a dozen grants were made to wagon roads in various public land states of the Union.

The generosity of Congress for roads, canals, and river improvements—more than 10,000,000 acres were granted for these purposes—was soon dwarfed, however, by the prodigal liberality to the railways. A new technique of transportation was abroad, and it captured the imagination of the nation. Not even the conquest of the air by our own generation has stirred so powerfully the interests and ambitions of the day. As early as 1833 Congress authorized Illinois to direct to railways the canal grant of 1827. Though never acted upon this appears to have been the first congressional grant of the public domain for railways in the United States. Two years later a sixty-foot right of way, with the use of timber for a hundred yards on either side, was granted to Florida for the Tulahasee Railway. By 1850 right of way for railways through the public domain was made general by an Act of Congress which imposed stringent limitations and forfeitures, and stipulated the filing of ample data in advance.

In 1850 Congress went beyond the permissive mood, and for the first time endowed the public land states from Lake Michigan to the Gulf and from the mouth of the Ohio to the eastern boundary of Iowa with alternate sections of land in a belt of territory twelve miles in width for the construction of the Illinois Central. Thus began "a new epoch in land grant legislation."<sup>3</sup> The success of the Illinois Central was more than the triumph of an abstract principle. The uncanny political adroitness of Stephen Douglas in lobbying the land grants through Congress was combined with the intrinsic value of the road itself as a link between the Mississippi, the Great Lakes, the eastern railways and the South. The technique of 1850 not only in mobilizing support but in neutralizing opposition

<sup>3</sup> B. H. Hibbard, *A History of the Public Land Policies* (New York 1924), p. 244.

became a classic in railway projection. The inclusion of the public land states of Alabama and Mississippi in the land grant appealed to the South on grounds of land policy as well as sectional economic interest. The fact that the states themselves were to administer the lands and apply them to the building of the railway within their borders opened up new vistas for local enterprise. Since much of the vast area to be traversed was already settled each state was allowed to make "indemnity selection" in lieu of lands already alienated. The original grant of alternate sections within six miles of the railway on either side was thus to be implemented, for purposes of "indemnity selection", from alternate sections in a belt of territory thirty miles in width, fifteen on either side of the railway. Pending the selection of railway grants such lands within the thirty-mile belt were withdrawn from sale by the government. Public lands in the intervening sections were to share in the adventure by sale at twice the minimum price—not less than \$2.50 per acre. There were stipulations for the transportation of troops and mails, and for the forfeiture of the land grants if the railway were not completed within ten years. Such were a few of the technical details, soon to become commonplaces of railway projection for that generation.

The success of Douglas and the Illinois Central opened the flood-gates and deluged the public land states for twenty years with railway land grants. Within a decade every public land state on the Mississippi had received railway lands from the public domain. Conservative influences, however, were still strong, and the railway land grant was still defended upon traditional grounds of sound fiscal policy. By giving away half the public domain in the railway belt, the rest of it could be doubled in value and the whole economic development of the country accelerated in the process. It was still unnecessary to invoke the spirit of the frontier—the claims of the pioneer in his own right and the claims of the public land states to adequate fiscal resources for the development of a primitive community. Along with more specious arguments for public consumption went an abounding faith in the new era of the railway. As the impact of the railways themselves began to be felt legislatures struggled in vain against their ponderous and pervasive influence. The standards of public life steadily deteriorated. A new technique usurped the functions of government. The states themselves plunged into railway projection with reckless prodigality.

Missouri issued to no fewer than six companies state bonds at



six per cent. secured by first mortgages on the railways. Paper safeguards were more specious than real. Foreclosure on a bankrupt railway was a new portent in business. A Canadian railway solicitor once asked his clients "what they proposed to do with the elephant." Nearly \$25,000,000 of Missouri bonds were authorized; and \$19,000,000, issued to the railways at par, were disposed of at an average price of 85. The railways were expected to make up the difference from the prodigious profits that were to ensue, or from less ingenuous accommodations with the government. Minnesota, created a state in 1858, authorized immediately a state loan of \$5,000,000 with the usual safeguards to land grant railways. The bonds were to be advanced \$100,000 at a time for each ten-miles of grading and for each ten-mile section completed. As the price of the bonds steadily fell, the railway, for obvious reasons, concentrated upon the grading; and "the only track in existence was a stretch of 1,400 feet which the Minnesota and Pacific used to store its only engine."<sup>4</sup> Within two years a violent reversal of public opinion repealed the loan, and it was 1881 before the bondholders succeeded in getting fifty cents on the dollar.

The local credit of cities, towns, and counties was flung recklessly into the pool; but since these were not sovereign bodies there was no escape for them by repudiation. One enterprising county in Missouri retired the last of its railway bonds in 1918. Texas, the one conspicuous example of successful state aid to railways, belongs to a later phase of the land grant system; that state had entered the union as an organized community with full control over its own lands. Many details of technique from this second phase of the system found their way into the third, and into the corresponding stage in Canada. The lands were granted, as a rule, in alternate sections. The price of intervening government lands was doubled. Selection of other lands within specified distances indemnified the railway for lands already occupied. Pending this "indemnity selection" whole areas were reserved from government sale. There were other features of the second phase, which were completely superseded in the transcontinental railways, and which have had no counterpart in Western Canada. The land grants were made to the public land states, leaving the states themselves to determine not only the policy but the technical equipment of the railways. During the fifties no fewer than six different gauges were in use in the United States, and a third rail seemed the only

<sup>4</sup> R. E. Riegel, *The Story of the Western Railroads* (New York: 1926).

expédient for extending the range of the rolling-stock. Rivalry between state and state, the resulting lack of integration between the railways, and the discovery of new resources for fraud and mismanagement left a trail of bankruptcy and repudiation. It required the tact and strategy of a Douglas or the concentrated resources of a wealthy state like Texas to survive these tendencies. Such seem to have been the lessons from this second phase of land grants in aid of national communications in the United States. Of the 155,000,000 acres of the public domain granted by the federal government for railways up to 1883 a little less than 50,000,000 were granted through the public-land states.<sup>5</sup> With the Civil War transcontinental railways became imperative. A new technique in railway land grants became necessary. The land policies of the union not only with regard to railways but with regard to settlement were almost revolutionized in the process.

### 3. *A New Technique*

The admission of California into the Union in 1850, like that of British Columbia into the Canadian federation twenty-one years later, made a transcontinental railway an imperative national necessity. In truth many of the familiar antecedents of the Canadian Pacific Railway are curiously reminiscent of its prototype in the United States. There was a national emergency which could not wait. In the United States the name of Asa Whitney, like that of Edward Watkin in Canada, had been linked with the speculative, not to say chimerical, phases of the project. As early as 1850 Whitney had succeeded in winning the House Committee on Roads and Canals to a project for building a railway from Lake Michigan to the Pacific from the proceeds of a strip of land 60 miles in width to be purchased from the government for 16 cents an acre. By 1860 the traditional views of the founders of the republic with regard to the public domain were in full retreat before the "land hunger" of the frontier and the desperate scramble for railways. Land policy, moreover, was too closely linked with the dominant political issues of the nation to be solved on abstract principles. The industrial north, now won to the cause of cheap land by the prospect of forestalling the south in the settlement of the west, threatened to add to this programme the strategic advantage of a transcontinental railway by a northern route. Since much of the

<sup>5</sup> Thomas Donaldson, *The Public Domain* (Washington, 1884), p. 1260.

territory was still unorganized it was necessary for the federal government either to build the road itself, as Benton advocated, from the proceeds of the public domain, or to deal with corporations sufficiently endowed in land and capital to carry so vast a project through to completion. The issue was epochal for the nation and none but the nation could hope to deal with it.

In 1862, in the throes of civil war, Congress chartered the Union Pacific to build a railway from the Missouri to the Pacific.<sup>6</sup> The Central Pacific under a state charter was to build the Californian section from San Francisco. The terms granted to the Union Pacific in 1862 marked a radical departure in railway construction. A land grant of the alternate sections—as in Canada the odd-numbered sections—in a railway belt twenty miles wide was made, for the first time, directly to the corporation itself. For the first time also the federal government undertook to underwrite the project by issues of thirty-year six per cent. government bonds, at rates ranging from \$16,000 per mile for the eastern prairies to \$48,000 for the Rocky Mountains and the Sierra Nevadas. The national government thus became the first mortgagor of the railway. There were no provisions for "indemnity selection" for lands already occupied or unfit for settlement, and mineral lands including iron and coal were expressly reserved in the land grant. The government, on the other hand, waived any provision in the Act for the regular payment of interest upon the mortgage, and placed no minimum price upon the intervening even-numbered sections of the public domain held by the government. Railway lands remaining unsold three years after the completion of the road were to be open for actual settlement at \$1.25 per acre. The Company undertook to set aside five per cent. of the net earnings of the railway as a sinking fund for its indebtedness.

More than a year passed before the sponsors of the project could find the capital even to organize. Meanwhile Congress had fixed the gauge at the eastern standard of 4 feet 8½ inches—an act of far-reaching importance not only for the nation but for the whole continent. By 1864 a veritable barrage of political influence was brought to bear at Washington by methods which can only be

<sup>6</sup> In addition to standard books on the Union Pacific such as H. L. White, *History of the Union Pacific Railway* (University of Chicago Press, 1895), Nelson Trottman, *History of the Union Pacific, a Financial and Economic Survey* (New York, 1923), and J. P. Davis, *The Union Pacific Railroad, Annals of the American Academy of Political and Social Science*, vol. VIII (1896), excellent monographs have traced the Congressional history of the railway land grants. See particularly J. B. Sanborn, *Congressional Grants of Land in Aid of Railways* (Madison: University of Wisconsin, 1899) and L. H. Haney, *A Congressional History of Railways in the United States, 1850-1887* (Madison: University of Wisconsin, 1910).

surmised. Nearly half a million dollars found their way into the Company's "expense accounts" of that year.<sup>7</sup> The terms of 1862 were almost completely recast. The land grant was doubled. The railway was now to receive the odd-numbered sections in a belt of 40 miles. Coal and iron were no longer reserved. Government subsidies were to be paid at each 200 miles of construction instead of 40, and two-thirds of the payment became due at the grading of the road. The capital was raised from 100 to 110 millions, and the shares broken into smaller denominations. And finally the government waived the priority of its own thirty-year six per cent. bonds in order to give right of way to the first mortgage bonds of the Company.

Even with this princely endowment the Union Pacific was built, "in the end, as a contractor's job rather than as a national project in road-building." Using a subsidiary company, the "Credit Mobilier of America" as its agent, the Union Pacific contracted with themselves to build the first 247 miles of the road at \$50,000 a mile. The contractors for the last 800 miles of the line were seven men, all directly interested in both the parent company and its subsidiary. "The Credit Mobilier and the Union Pacific Railroad Company," one of them testified before a Committee of the House in 1873, "were the same identical parties. We were building it for ourselves, by ourselves, and among ourselves. There was not \$20,000 outside interest in it."<sup>8</sup> The cost of construction to the Company for the three chief contracts was afterwards found to be over \$93,500,000. The cost to the contractors was less than \$50,750,000. The total profit on construction was nearly \$44,000,000. While these profits were paid to the contractors chiefly in the form of stock, the actual construction was largely covered by more than \$27,000,000 of cash from government bonds and \$23,700,000 from the first mortgage bonds of the Company. Land grant bonds for \$10,400,000, offered specifically upon the security of the land grant, realized less than \$6,064,000—a discount of about 40 per cent. The golden spike which completed the first transcontinental railway was driven in 1869, to the accompaniment of nation-wide jubilation in the United States, and not without significant repercussions in Canada. The ruthless investigation of 1873, however, revealed a company "weak and poor", and upon the brink of bankruptcy. Up to 1893 when the Union Pacific finally went into the hands of

<sup>7</sup> Riegel, *op. cit.*, p. 73; Trotterman, *op. cit.*, pp. 18-22.

<sup>8</sup> *Congressional Globe*, 1872-73, 3rd Session, Appendix, p. 108.

receivers the interest charges on the government bonds had never been paid.

Many significant features in the building of the Union Pacific thus have a bearing upon the Canadian problem of 1881. Actual construction was financed largely by the sale of bonds, more than half of which were advanced by the government and the rest by the Company in the form of debentures negotiable only because the government had accepted a lower rating for its own first mortgage on the line. Though the road was built by and for private enterprise, much of the capital was thus supplied or underwritten by the government on security which was found, for that generation at least, practically worthless. It is but fair to add that in the reorganization of 1893 government interests, then amounting to more than \$58,000,000, were amply safeguarded. The function of the land grant is thus hard to estimate. In the form of land grant bonds it contributed scarcely more than \$6,000,000 to the actual construction of the road; and since this remained a special issue it is not easy to see how the sale of either government bonds or those of the Company could have benefited from the 12,000,000 acres of land grants from the public domain. It is true that by 1880 over 1,500,000 acres of Union Pacific lands had been sold for nearly \$7,500,000—an average of \$4.73 per acre<sup>9</sup>—and that by 1894 some 7,141,000 acres had been disposed of for more than \$22,400,000. It is clear, however, that land grants neither financed construction nor precluded bankruptcy in 1893. The one solid function of the land seems to have been its attraction for promoters. From Asa Whitney's time onward a whole generation seems to have clung to the belief that the land would ultimately pay for the road. For this delusive doctrine the first of the land grant railways must have been largely responsible. By 1864 the Illinois Central had sold over half its land grants at an average of \$10.77 per acre; and the intervening sections of the public domain which had been almost unsaleable at \$1.25 per acre were now selling for \$2.50 in a buoyant market.<sup>10</sup> The railway land grant system was finally discredited not because it was unprofitable for the railways but because it was thought to create "fearful monopolies of the public domain"—"manifestly in bad faith towards the landless"—at a time when "the rights of the settler" were becoming paramount in land policy. The free homestead was already becoming the staple of that policy,

<sup>9</sup> Donaldson, *op. cit.*, p. 783.

<sup>10</sup> Hibbard, *op. cit.*, p. 257, quoting W. K. Akerman, *Illinois Central Railroad, Historical Sketch*.

and the free-lands system was already devouring the sales system as the lean kine devoured the fat kine in Pharoah's vision. This cycle from prodigality to revulsion took place within twenty-two years; and the Canadian experiment, beginning just as its prototype in the United States was coming to a close, passed through many of the same pathological vicissitudes and reached the same stages of crisis and convalescence in almost exactly the same period of time.

#### 4. *Two Other Analogies*

While the Union Pacific was the obvious prototype of the Canadian Pacific, more suggestive comparisons are to be found in some respects in the Northern Pacific, the contemporary and rival of the Canadian road, and the Great Northern of a later date.<sup>11</sup> The charter of the Northern Pacific, to run from Lake Superior to Puget Sound, was granted on July 2, 1864, the same day as the amended charter of the Union Pacific. The same mood of lavish generosity suffused with a national emergency was to be found in both. But whereas Congress aided in no small measure in financing the construction of the Union Pacific it was expressly provided that "no money should be drawn from the Treasury of the United States to aid in the construction of the Northern Pacific Railroad." The land subsidy, on the other hand, was the most lavish ever granted to a single corporation in North America. The railway was to receive the odd-numbered sections in a railway belt of 40 miles through the public land states and of 80 miles through the intervening territories. The total land grant to the Northern Pacific thus amounted to 39,000,000 acres, subsequently increased to 43,000,000 by amalgamation with other companies.

It was not, however, until Jay Cooke could be interested in the project that actual construction began in 1870. Cooke's faith in western lands was confirmed by his own private investigations. "Jay Cooke's Banana Belt" passed into advertising currency, but not even the necromancy of his finance could save his own firm, the largest banking house at that time in America, or the Northern Pacific in the panic of 1873. Both went into bankruptcy. A revulsion of feeling against the railways in the West supplanted the buoyant optimism of the sixties. Much of this was directed

<sup>11</sup> For the Northern Pacific and Great Northern see E. V. Smalley, *History of the Northern Pacific Railway* (New York: 1883); Riegal, *op cit.*; E. P. Oberholtzer, *Jay Cooke, Financier of the Civil War* (Philadelphia: 1907), 2 vols.; J. G. Pyle, *Life of James J. Hill* (1917), etc.

against the absentee control of eastern financial interests. Foreign bondholders, Dutch and British, who had been induced to join the orgy of railway projection in America, were particularly defenceless. Many of these symptoms are familiar features of the similar cycle of Canadian opinion in the eighties. A reorganization in 1875—less than 500 miles had been built before the crash—brought the Northern Pacific into the field of policy then being explored for the Canadian Pacific; but it was not until 1883 that the line was completed. More than 2,500,000 acres of its enormous land grant had been sold by 1880 for more than \$9,000,000—an average of \$3.50 per acre.<sup>12</sup> The railway went into the hands of receivers for the second time, however, in 1893. The net proceeds from land sales were given in 1894 as \$27,796,112. Subsequent land sales of the Northern Pacific have gone far to justify the confidence of Asa Whitney and Jay Cooke in the value of western lands. The cost of the road was \$70,000,000 and the land sales have amounted to nearly \$136,000,000.<sup>13</sup> After two bankruptcies, however, the problem of policy in the original land grant becomes almost too attenuated for computation.

The third analogy from the United States is a closer parallel to the Canadian Pacific in its origin and success, though almost a complete contrast in the technique of promotion and construction. The Great Northern was the only one of the three great trans-continental to receive no federal land grants, and the only one of the three (after its first reorganization) to escape the hands of the receiver. It is true that land grants of about 3,848,000 acres made under state auspices in 1857 and 1865, had been inherited from the old St. Paul and Pacific; and the Dutch bondholders had not escaped disaster in the early seventies. Something also of C.P.R. policy in later years in the use of their land grants to serve the interests of sound traffic and permanent settlement may be traceable to the technique of J. J. Hill and the Great Northern. In one respect at least there was a curious identity of origin. The St. Paul and Pacific with its limited land grant under state auspices and about 560 miles of railway, was bought out from the Dutch bondholders by a group of Canadian promoters who organized the St. Paul, Minneapolis and Manitoba Railway in 1879. The president of the new company was George Stephen of Montreal. J. J. Hill who had been associated with the St. Paul and Pacific

<sup>12</sup> Donaldson, *op. cit.*, p. 779.

<sup>13</sup> Hibbard, *op. cit.*, p. 260.

since the Civil War was general manager. In the list of shareholders appeared the name of Donald Smith. From this shrewd venture two streams of railway construction found their way to the Pacific. In the United States Hill became President of the St. Paul, Minneapolis and Manitoba Railway in 1883, reorganized it as the Great Northern in 1890, and reached the Pacific in 1893 after a battle of giants with the Harriman interests of the Northern Pacific. On Canadian soil Hill's fellow-Canadians fared forth to a more spectacular destiny. To these doughty musketeers fell the organization and achievement of the Canadian Pacific Railway.

##### 5. A "*Pacific Railway*" for Canada

With this background of more than 150,000,000 acres of railway land grants in the United States, the first project of the new Dominion for a transcontinental railway was almost foreordained to the use of public lands. The spell of prosperity and optimism following the civil war, the success of the Illinois Central, the fame of Jay Cooke, and the innumerable land "booms" which moved westward with the frontier like the expanding circles from a pebble thrown into a pond, could not fail to react across the Canadian border. The final stages of the Canadian federation itself reflected these influences. Neither the Louisiana purchase nor the Gadsden purchase had added at a single stroke so vast a proportion of new territory to the United States as the transfer of Rupert's Land and the North-Western Territory added to Canada in 1870. A "*Pacific Railway*" had been accepted as the first corollary of the transfer. While twelve years and two changes of government were to intervene before the project of 1869 entered upon its final stage in 1881, the Canadian Pacific Railway was thus in many respects the posthumous child of the preceding decade. The contemporary revulsion, moreover, which overtook the land grant railways in the United States in the early seventies was largely the revulsion of a disillusioned frontier, and it could scarcely be expected to appear in Western Canada while the new frontier was still a wilderness, clamorous like Missouri or Minnesota in the fifties, for railways at any price. In the press of that day one searches almost in vain for the wisdom which became so articulate after the fact. "If we could get the railway and keep our public land", wrote the *Manitoba Free Press* (May 24, 1873), "we would prefer such a course, but that is impracticable." Seven years later (March 17, 1880) the



second project for the Canadian Pacific was held to warrant the same policy: "beyond a doubt the only practicable mode of building the Pacific Railway is from the proceeds of the Crown lands." There is much to be said for the view already advanced that the cycle was more than twenty years later in closing in Canada because it was more than twenty years later in beginning. Clifford Sifton once added the sardonic comment that the railway land grant system came to an end because the government had come to the end of eligible land reserves acceptable to the railways.

At every stage of the transfer railways and railway land grants had been taken for granted. As early as June, 1869, Galt proposed in England to "ascertain whether influential parties could be found to undertake the Red River and Pacific Railroad. . . . I think \$15,000 per mile and 10 or 12,000 acres of land would be sufficient inducement."<sup>14</sup> Riel himself had demanded rail connections within five years, "the land grant to be subject to the Local Legislature." The success of the insurrection in holding Fort Garry up to ransom for nine months was in itself an object lesson in the necessity for reliable access to Red River on Canadian soil. The Wolseley expedition of 1870, with all its unprecedented speed and despatch, was the best of all demonstrations for a railway. During the debate on the Manitoba Bill, as we have seen, both Cartier and Macdonald revealed the most urgent of the immediate "purposes of the Dominion" in retaining control of public lands: "It was of the greatest importance to the Dominion to have possession of it, for the Pacific Railway must be built by means of the land through which it had to pass." "It must be in the contemplation of the members of the House," added Cartier, "that these could be used for the construction of the British Pacific Railway from the East to the West." "It would soon be necessary to construct a railway through Red River, and consequently the Dominion Parliament would require to control the wild lands." When British Columbia entered the Dominion in 1871 a railway within ten years was the most important condition of the union. The Dominion undertook to pay—and still pays—to that Province \$100,000 a year for conveying to the Dominion "in trust . . . in furtherance of the construction of the said Railway, a similar extent of Public Lands along the line of Railway throughout its entire length in British Columbia, not to exceed however Twenty (20) Miles on each side of said line, as may be

<sup>14</sup> Galt to Macdonald, *Correspondence of Sir John Macdonald*, ed. Pope (Garden City, N.Y.: 1921) p. 94.

appropriated for the same purpose by the Dominion Government from the Public Lands in the North-West Territories and the Province of Manitoba."

The Order-in-Council of March 1, 1871, provided for the withdrawal of "three full townships on each side of the line finally sanctioned for the Inter-Oceanic Railway", and for the termination, if necessary, of the free-homestead system.<sup>15</sup> A resolution during the same session pledged the House to "such liberal grants of land and such subsidy of money, or other aid, not unduly pressing on the industry of the Dominion, as the Parliament of Canada shall hereafter determine."<sup>16</sup> The measure of the emergency was not only the "liberal grants of land" but the "subsidy of money"—an innovation so radical that not even the Union Pacific had dared to include it in their amended programme of 1864. In this sense Macdonald himself, six months before the transfer, had written to Brydges, general manager of the Grand Trunk, that the Pacific railway "must be taken up by a body of capitalists and not constructed by the government directly. Canada can promise most liberal grants of land in alternate blocks, and may, perhaps . . . induce Parliament to add a small pecuniary subsidy."<sup>17</sup> From this general purpose there was little deviation in Conservative policy until the last spike was driven in the C.P.R. in 1885.

In the preliminary stages of the project the emergency was as obvious as the desperate want of means. The speediest and the most economical plan, advocated by Waddington of British Columbia, was perhaps the nearest approach to Watkin's vision of the early sixties. Canadian lines westward from the Red River to the Pacific by way of the Yellowhead Pass and eastward from the Sault Ste. Marie to Portland, Maine, were to lease running rights on the Northern Pacific for the intervening section south of Lake Superior. The Grand Trunk in the east was already in British control, but there were too many hostages involved in the rest of the project for the national temper of 1871. Waddington's plan fared no better than Watkin's. When the first C.P.R. Bill appeared in 1872 it was found to embody Macdonald's plan for a "railway made and worked by private enterprise and not by the Dominion Government"; but there were innovations so radical as to mark almost a new departure in the railway land grant system of that day.

<sup>15</sup> *Sessional Papers of Canada, 1871, No. 20, p. 5.*

<sup>16</sup> *Debates of the House of Commons, Canada, 1871, p. 1028.*

<sup>17</sup> *Correspondence of Sir John Macdonald, p. 124.*

The first of these was the exceptional size of the land grant—50,000,000 acres, more than the area of the three Maritime Provinces, and the largest hitherto projected for the building of an American railway. A second variation was the location of the grant. It was to be taken up not in alternate sections as in the United States but in blocks “twenty miles in depth on each side of the said railway, alternating with other blocks of like depth on each side thereof to be reserved by and for the Dominion Government.” The railway blocks were to be not more than 12 and not less than 6 miles in width, thus ranging from 76,800 to 153,600 acres each; and the corresponding government blocks were to be sold at \$2.50 per acre. This second innovation was accentuated by a third which reintroduced the principle of “indemnity selection” from the state grant phase of the system in the United States. If the area of selected railway lands proved in the aggregate less than 50,000,000 acres the difference was to be made up by grants outside the 40 mile belt. A fourth innovation introduced for the first time into the final charter of 1873 the stipulation that the Company should “not be bound to receive any lands which are not of the fair average quality of the land in the sections of the country best adapted for settlement.” A fifth innovation—a cash subsidy not to exceed \$30,000,000—was perhaps the most exceptional of all, and may fairly be taken as an index of the emergency. Even the Union Pacific was nominally mortgaged—a second mortgage, it is true—to the government. Since the intervening public lands within the 40 mile belt were to be sold at \$2.50 per acre or an average of \$32,000 per mile of railway, it was still held that the cash subsidy could be met from the sale of government lands in the railway belt. The generosity of these terms, contingent as they were upon the exclusion of Jay Cooke and Northern Pacific interests with whom Sir Hugh Allen had originally been negotiating, was a further index of the national temper. The Charter was issued to Sir Hugh Allen and his associates as the first C.P.R. Company in February, 1873. In January of the same year the last railway land grant in the United States had been made to the Chicago and Northwestern. The Granger movement was already a force in the land. Nearly two years and a half had passed since the New York *Tribune* announced what was soon to be the settled conviction of the nation: “the sooner this land-grant business for railroads is now stopped the better.”<sup>18</sup> So widespread a move-

<sup>18</sup> New York *Tribune*, June 24, 1870.

ment could not have escaped notice in Canada. The persistence nevertheless of the government was a further proof of the emergency.

### 6. *Trends and Tendencies*

The "Pacific Scandal" which destroyed both the railway company and the government during the session of 1873 turned upon Allen's contribution to the election funds of the Conservative party. Beyond a doubt there were subtler forces at work to postpone the enterprise and to take advantage of the "ground-swell" from the contemporary revulsion against the railways in the United States. It is notable, however, that both land grants and cash subsidies appeared in the Liberal programme of 1874<sup>19</sup>—the cash subsidy at \$10,000 per mile and the land grant at 20,000 acres per mile, in blocks alternating (as in the Conservative policy of 1872) with blocks of government land. Thus while the cash subsidy was less, the land grant per mile within the railway belt was more than half as much again. Neither the financial crisis nor the traditional thrift of the Prime Minister—sitting upon the treasury, as he once expressed it, "with a shot gun"—seems to have impaired the lavish generosity of the government with Dominion Lands or the belief that the railway might still be built "by means of the land through which it had to pass." Unable to attract financial interests to so hazardous an enterprise, the government sought to placate British Columbia by an amphibious system of rail and water communications, to be carried forward, in the last resort, by government contract. The line from Winnipeg to the boundary to connect with the St. Paul, Minneapolis and Manitoba Railway was opened in 1878. A cycle of returning prosperity and the first land "boom" in Western Canada synchronized with the return of the Conservative party to power in 1878, but three years were yet to pass before private interests could be induced to attempt the completion of a transcontinental railway on Canadian soil.

The government reaffirmed from the outset the principle of building the railway "by means of land through which it had to pass." The House approved a grant of "one hundred million acres of land, and all the minerals they contain . . . for the purpose of constructing the Canadian Pacific Railway."<sup>20</sup> Between this resolution of May 10, 1879, and the C.P.R. Act the regulations for

<sup>19</sup> *Statutes of Canada*, 27 Vict., c. 14.

<sup>20</sup> *Debates of the House of Commons, Canada, 1879*, p. 1895.

administering this princely heritage passed through too many variations to be traced here in detail.<sup>21</sup> Certain tendencies, however, are clearly discernible. In the regulations of July 9, 1879, a railway belt 220 miles in width was divided into nine zones. A central "Belt A" of 10 miles, five on either side of the railway, was to be "absolutely withdrawn from homestead entry, also from pre-emption, and . . . held exclusively for sale at \$6" per acre. On either side of this central zone were four other belts, Belt B of 15 miles, Belt C of 20 miles, Belt D of 20 miles, and Belt E of 50 miles in width. Within these zones the odd-numbered sections were for sale at \$5, \$3.50, \$2, and \$1 an acre respectively. Such were the general plans, rapidly modified in detail from time to time, for government construction of the road, to be financed by land sales before private interests could be induced to undertake the venture.

With the formation of the C.P.R. syndicate a radical change of technique became possible. By the regulations of January 1, 1882, the even-numbered sections throughout the whole range of Dominion Lands—even within the new C.P.R. railway belt of 48 miles—were thrown open for homestead entry, while the odd-numbered sections only were reserved for sale. The odd-numbered sections within the 48-mile railway belt (Class A) went directly to the railway unless rejected and replaced by "indemnity selection" elsewhere. Within 12 miles of any other railway (Class B), or south of the C.P.R. railway belt (Class C), the odd-numbered sections were for sale at \$2.50 per acre; elsewhere (Class D) at \$2.00 per acre. The reservation of the even-numbered sections throughout for homestead entry marked a trend of the first importance. The shifting from the sales basis of land policy towards the free-homestead basis is thus discernible even within the realm of railway land grants. The ultimate advantage to the railway itself was obvious. While the sale and immediate prices of railway lands might be impaired, traffic was after all indispensable; and traffic was to be obtained only from rapid settlement, while rapid settlement could be relied upon in the long run to expedite the sale of railway lands and to enhance their value. Since there were no penalties, as for the Union Pacific, in the form of upset prices for land still unsold three years after the completion of the line, rapid sale of railway lands was not obligatory though it was soon recognized to be in the best interests of the Company. The inconsistency which appeared

<sup>21</sup> For a comprehensive list, 1871-1882, see *Sessional Papers of Canada, 1892*, No. 30, i.

in the United States between the railway land grant system and the free-homestead policy is thus scarcely traceable at all in Canada. In both countries the frontiersman was apt to think in terms of "monopoly" and "land-lock" and "railway reserves", all of which seemed to impair "the right of the frontiersman to free land." But in the United States the railways were inclined to insist upon the sale of intervening government lands within their land grants at prices which should not destroy the market for their own lands. In Canada the railways themselves deliberately championed the free-homestead system once their own vast land reserves were securely safeguarded; and the government also, once the national project of a transcontinental railway was achieved, could move instinctively with the temper of the times towards free land. The Minister of Railways himself stated the case in 1881:

We are free to give away every acre that remains in our possession should the public interest warrant it. No policy did the syndicate press more strongly upon us than that of settling the land as fast as we could. They said we should be only too glad to plant a free settler upon every acre belonging to the Government.

While the administration of C.P.R. lands by the Company lies beyond the scope of this outline, much of it is scarcely more than a commentary upon this radical change of policy. To a degree approached perhaps by no other land agency, it came to integrate itself with the free-homestead and immigration policies of the day and to subserve the interests of the nation in land settlement.

Meanwhile the solemn fiction of building the railway "by means of the land through which it had to pass" survived in politics long after it had been dissipated in practice. Until the main line was completed in 1885 cash subsidies had to be paid and land sales were still supposed to defray the expenditure. Sir John A. Macdonald still assured the House in April, 1882, that "not a farthing of money will have to be paid by the people of Canada." The same fiction was pressed into service also against the first concerted movement for provincial rights in the province of Manitoba. As late as 1885 a Minute of Council repeated the specious doctrine of land revenues for railway construction as a reason for postponing indefinitely any prospect of returning the public lands to provincial control:

In 1880 Parliament solemnly set aside one hundred million acres of those lands towards meeting the cost of the work. . . . It was not to be expected that the lands could be made available to meet a cash expenditure until some time after railway construction was had with and through them; and therefore, the

expenditure in construction and in cash subsidy, may be regarded as an advance, to be repaid from the lands.<sup>22</sup>

The practice in the Department of the Interior, as we shall see, scarcely conformed to the theory, for the sales policy was already in retreat before the free homestead as the staple of Dominion Lands policy. With this forecast of contemporary tendencies to be traced elsewhere in greater detail<sup>23</sup> the epochal charter to the C.P.R. in 1881 may now be examined for the features which made it one of the greatest single measures of land policy in the settlement of Western Canada.

### 7. *The C.P.R. Charter*

Many of the exceptional features forecast in the original Act of 1872 (35 Vict., c. 71) were confirmed in the final construction of the C.P.R., and several others still more exceptional were added. A few were so profoundly modified that they became almost unrecognizable except to the members of the syndicate and their sponsors in the government.

For convenience of reference the chief features of the Charter of 1881 may be listed in terms of their historical context:

(a) The size of the land grant was exactly half the acreage provided in the Charter of 1872—25,000,000 acres instead of 50,000,000—while the estimated acreage for the Liberal project of 1874 had been 54,000,000 acres. Though substantially less than the 39,000,000 acres granted to the Northern Pacific, the “main line” grant to the C.P.R. was still more than twice as large as the amended grant to the Union Pacific (12,000,000 acres) and nearly seven times the acreage inherited by the Great Northern from the old St. Paul and Pacific.

(b) The location of the grant marked a return, in one sense, to the practice in the United States. It was to be taken up not in blocks, as originally planned in 1872, but in alternate sections—the odd-numbered sections “extending back 24 miles deep on each side of the railway from Winnipeg to Jasper House.” Thus the responsibility for settlement, instead of being divided regionally by alternate railway and government “blocks” ranging from 76,800 to 153,600 acres, was evenly shared piecemeal, in the system of alternate sections, by the government and the railway—the one with the free homestead as the staple of land policy, the other with land

<sup>22</sup> *Sessional Papers of Canada, 1886, No. 61.*

<sup>23</sup> See Chapter V, section 3 and Chapter IX, section 2.

for sale contiguous to each quarter section of free land. The value of this arrangement was appreciated only with the development of dry farming requiring a half section for the best results. Since the railway in the interests of traffic and the government in the interests of rapid settlement were now partners in a common task, it was a happy arrangement for them to advance to its solution *pari passu*.

(c) In another sense the general terms of the grant invited a complete departure from precedent in the United States in allocating the acreage stipulated in the Charter. The fact that the Union Pacific had been built through the "public domain" of the United States made possible the rigid alternation of railway and government sections within a railway belt of fixed dimensions without recourse to "indemnity selection". The C.P.R., on the other hand, had to be built through two provinces—Ontario and British Columbia—in which the public lands were under provincial control, as well as through Manitoba and the North-West Territories where "Dominion Lands" were completely at the disposal of the federal government. The temptation to spare provincial lands and to exploit "Dominion Lands" proved irresistible; with costly results that have fallen in glaring disproportion upon the Prairie Provinces.

The land grants to the C.P.R. were originally authorized on the basis of mileage: 12,500 acres per mile for 900 miles, 16,666 $\frac{2}{3}$  acres per mile for 450 miles, and 9,615 $\frac{1}{3}$  acres per mile for 640 miles. From the debates, and indeed from the original Act of 1872 (35 Vict., c. 71, s. 3) it was clear that the Province of Ontario was expected to contribute 9,000,000 acres to the construction of the road; while British Columbia, as we have seen, had agreed to transfer in trust to the Dominion a "similar extent of Public lands along the line of Railway throughout its entire length in British Columbia . . . as may be appropriated . . . from the Public Lands in the North-West Territories and the Province of Manitoba." Neither of these provinces, however, eventually contributed to the C.P.R. land grant,<sup>24</sup> and since the British Columbia railway belt, transferred "in trust" for the construction of the railway, had not been used for that purpose, the province as the *cestui que trust* has since succeeded in recovering from the Dominion not only the unalienated lands in the railway belt but those in the "Peace River Block" which the province had agreed to transfer to the Dominion in 1883 in lieu of lands that were "unfit for settlement"

<sup>24</sup> Except for about 1,300 acres taken up in B.C.



in the railway belt.<sup>25</sup> Thus the "main line" grant of 25,000,000 acres, restricted to alternate sections "from Winnipeg to Jasper House", a distance of approximately 1,040 miles, came to average more than 24,000 acres per mile through the Prairie Provinces, or the equivalent of the odd-numbered sections in a belt of 75 miles. While the main line mileage, therefore, has been over 652 miles in Ontario, nearly 208 in Manitoba, a little over 419 miles in Saskatchewan, nearly 336 in Alberta, and 268 in British Columbia, the land grant thus "earned" by the railway has been selected, 2,183,084 acres in Manitoba, 6,216,784 acres within the present boundaries of Saskatchewan,<sup>26</sup> and 9,805,446 acres within the present boundaries of Alberta.<sup>27</sup> The balance of the "main line" grant—some 6,793,014 acres—was surrendered in 1886 to retire \$9,880,912 (with interest) of the government loan for the construction of the line.

(d) This arrangement was made possible only by a feature of the Canadian system which left its origin in the United States almost unrecognizable. The principle of "indemnity selection" for lands already occupied had been applied in many of the railway land grants made to the public land states, but it was carefully excluded from the federal grants to the Union Pacific and the Northern Pacific during the era of the great transcontinentals. In Canada the practice was permitted not only for lands already occupied or precluded by reservations of school lands, but also under other conditions which altered profoundly the avowed function of "indemnity selection" and indeed of the railway land grant itself as an expedient of railway policy.

Not only was the acreage "earned" on mileage in Ontario and British Columbia selected, as we have seen, in the Prairie Provinces, but the tendency to follow the line of least resistance, to select grants in the territories where no provincial criticism was as yet to be encountered, had results which have accumulated disproportionately in the two provinces most recently organized. Out of 3,630 miles of railways subsidized by more than 31,780,000 acres of western lands, less than 886 miles, or about 24 per cent., were located in Saskatchewan, while more than 15,193,000 acres or nearly half the land grants were selected from that province. No fewer than six land grant railways with no mileage whatever in Saskat-

<sup>25</sup> Out of 14,181,000 acres transferred to the Dominion in the railway belt and the Peace River Block, 12,832,400 acres have been returned to the Province.

<sup>26</sup> Over 6,128,000 acres before the creation of the province in 1905.

<sup>27</sup> Over 8,217,400 acres before the creation of the province in 1905.

chewan selected from that province over 1,330,000 acres of their land grants.<sup>28</sup> Alberta, which secured 805 miles or over 22 per cent. of the land grant railways was found to have contributed 13,035,572 acres or over 41 per cent. of the land grants.

(e) A second variation of "indemnity selection" became necessary for the blocks of land in which the C.P.R. afterwards developed the largest project in irrigation ever undertaken by private enterprise. In these areas even the Hudson's Bay holdings had to be exchanged in order to ensure uniform management, while the sectional survey itself was modified to meet the needs of the new technique.

(f) A third variation of "indemnity selection" had results still more subversive of the original functions of public lands in railway construction. For the Union Pacific railway belt in the United States in the project of 1864, rigid reservation of the even-numbered sections for government sale or eighty-acre homesteads had been devised to build the railway automatically, so far as lands were involved, from the lands through which it had to pass. By 1881 in Canada the technique, as we have seen, had been profoundly modified. The 160 acre free homestead had invaded even the railway belt, and the C.P.R. syndicate could scarcely be expected to give right of way to the government's free-homestead system without some concern for the ultimate value of their own lands. The charter of 1873 had provided that the Company should "not be bound to receive any lands which are not of the fair average quality of the land in the sections of the country best adapted for settlement." Similarly in 1881 in changing to the "sectional" system of locating the land grant it was provided that "if any such sections consist in a material degree of land not fairly fit for settlement, the Company shall not be obliged to receive the same as part of the grant."

There is little evidence that this stipulation was associated at the time with a new function for railway land grants in the settlement of Western Canada, but the history of C.P.R. lands has since made it clear that a radical change of policy was already under way. If it could be made to pay the railway to administer its lands not for revenue from land sales, but in order to secure traffic for the railway and rapid settlement for the whole region, then a new and national function could be found for railway land grants. The

<sup>28</sup> The Pipestone Extension of the C.P.R., the Calgary and Edmonton, the Alberta Railway and Irrigation Company, the Saskatchewan and Western, the Manitoba and Southwestern Colonization Railway, and the Manitoba and South Eastern.

rival crop of "colonization railways" projected during the eighties was a forecast of this doctrine, and it may fairly be said that the C.P.R. itself has discharged this function with conspicuous success. Proceeds from land sales have gone not into dividends, but into development; the price per acre for C.P.R. land sales, despite the widest range of "indemnity selection", has been distinctly lower than that for school lands, or Hudson's Bay lands, or many other classes of lands administered for purposes of revenue only. Without anticipating the discussion of policy in later chapters, the range of "indemnity selection" must be credited with results which are not to be measured in terms of cash proceeds to the railways.

(g) In the application of the system, however, there were features which invited uncompromising criticism. The principle of "indemnity selection" may have been defensible in the House but its application was left to Orders-in-Council and other forms of administrative regulation, where a measure of mutual accommodation, sometimes after violent conflict with rival interests, was the order of the day. The general public, knowing little of these devious proceedings, suspected the worst. Time limits for railway construction or the selection of land grants were seldom enforced or enforceable.<sup>29</sup> More than twenty statutes, authorizing railway land grants to no fewer than ten companies within a single decade, introduced a welter of rival projects into the field. Rival companies, frequently representing not only rival financial interests but opposite camps in party politics, were sometimes in a position to block the development of rival railways as well as expedite their own. The reservation of vast areas pending the final selection of sections "fairly fit for settlement", led railway after railway into regions remote from their own main line or branch line developments. Every prospective move in land settlement became a "battleground for giants". As the larger companies began to devour the small ones and to appropriate their land grants, rival systems bestrode the whole region like a Colossus and divided the community into rival camps.

Long before the era of railway land grants had definitely come to an end eligible reserves of land "fairly fit for settlement" had been explored in all directions. It became obvious at once that the main line "48-mile belt" of the C.P.R. with its southern route and prairie mileage of less than 1,050 miles "from Winnipeg to Jasper House" could supply but a limited acreage of the land

<sup>29</sup> "Never in one single case lived up to." P. A. Gordon, K.C., before the Sask. Res. Commission.

grant. The selection of 25,000,000 acres in odd-numbered sections contiguous to the main line would have required a belt not of 48 but of 75 miles of agricultural lands uniformly "fit for settlement". The first Northern Reserve, set aside by Order-in-Council as early as 1882, included a vast district on the Saskatchewan which became the most productive agricultural area perhaps in Western Canada. The eastern sections of this reserve with land grants of some 6,800,000 acres were surrendered in 1886 to retire the Company's indebtedness to the government, but subsequent reserves were located south of the main line belt in Manitoba (1882 and 1883), in the Lake Dauphin area (1895), as far north as Edmonton (the second Northern Reserve, 1896), and eventually the solid block in Alberta between Calgary and Medicine Hat where the largest project in irrigation ever undertaken by private enterprise was launched in 1903.

Meanwhile no fewer than ten colonization railways had entered the field with chartered land grants between 1884 and 1893. By this time, it would be fair to say, the Canadian system of "indemnity selection" had carried railway land grants far beyond the boundaries of immediately prospective settlement. Within these vast reserves the odd-numbered sections that were "fairly fit for settlement"—nearly half the agricultural land then available in Western Canada—had passed, or were destined, when finally located, to pass into the administration of the railways.

The prototype of the Canadian land grant railway was by far its greatest beneficiary. Though surrendering 6,793,014 acres, as we have seen, in 1886, the C.P.R. retained 18,206,985 acres from its "main line" grant, and procured additional grants of 1,408,704 acres for the Souris Branch (1890-1891) and 200,320 acres for the Pipestone Extension (1894). The last of these was also the last formal grant under the Canadian railway land grant system. In its own name therefore the C.P.R. acquired and retained 19,816,009 acres of Dominion Lands. It also acquired technically the reversion to more than 6,000,000 acres through amalgamation or some other form of association with no fewer than six of its land grant contemporaries: the Alberta Railway and Coal (afterwards "Irrigation") Company with original net railway land grants of 1,101,712 acres, the Calgary and Edmonton with 1,820,685 acres, the Great Northwest Central with 320,000 acres, the Saskatchewan and Western with 98,880 acres, the Manitoba and North-Western with 1,501,376 acres, and the Manitoba and Southwestern Colonization

Railway with 1,396,800 acres. Original C.P.R. grants of 19,816,009 acres and the reversion to 6,239,453 acres from other lines, 26,055,462 acres in all, thus found their way into the orbit of the C.P.R., out of a total net area of 31,783,654 acres of railway land grants from Dominion Lands.<sup>30</sup>

(h) Many other contrasts might be cited with the land grant transcontinentals in the United States. Crown patents for the C.P.R. "main line" grants were issued without reservation of mineral or other rights except for "navigable waters". Those for the Souris Branch, the Calgary and Edmonton, and other land grant railways after a federal Order-in-Council in 1889, reserved mining and mineral rights; but a leading case carried to the Privy Council by the Calgary and Edmonton Railway resulted in the cancellation of these reservations, and the successful reservation of gold and silver only.<sup>31</sup> Patents to other land grant railways reserved "navigable waters" and "fisheries". The national character of the C.P.R. was seen in the "monopoly clause" which forbade the construction of any other line running northwest and southeast within fifteen miles of the United States boundary. The monopoly clause was safely surrendered in 1888 but not without a contest in Manitoba which threatened the local interests of the Company.

Parallel to the outcry against "monopoly" ran the protest against "land-lock". The property and capital of the Company were exempt from taxation "forever"; while the land grants were exempt for twenty years "after the grant thereof from the Crown."<sup>32</sup> Delay in locating the grants "fairly fit for settlement" from the vast railway "reserves", and delay on the part of purchasers in taking out their patents, exempted both railway and purchaser from local taxation, until the Province of Saskatchewan could advance claims before the Resources Commission in 1934 for losses of more than \$2,500,000 in taxes. The claims were "not pressed to a conclusion" but the computation (at the average rate of 19.1 cents per acre) will indicate the range of acreage and time involved in the practice. More than 95,000 acres patented as late as 1928-1929 had been exempt from taxation for twenty-one years.

The financing of the Company also is not without a bearing

<sup>30</sup> Compiled by the Department of the Interior from the Railway Land Subsidy Registers. *Sask. Res. Comm.* Statistics from the patent registers for the Alberta Commission show 26,054,491 acres for the C.P.R. system out of a total of 31,781,596 acres. See below, Table III, pp. 280f.

<sup>31</sup> For the Calgary and Edmonton case see below pp. 289f.

<sup>32</sup> *Statutes of Canada*, 44 Vict., c. 1, s. 16 of the Schedule.

upon the function of the land grant, and both stand in sharp contrast to the practice in the United States. In addition to a direct cash subsidy of \$25,000,000 and the land grant of 25,000,000 acres, the government agreed to turn over to the Company free of charge the sections already completed or under construction at a cost of \$35,000,000, including the Pembina branch in Manitoba, the Lake Superior section in the east, and the Kamloops-Port Moody section in British Columbia. The cost of government surveys had been \$3,500,000. A government loan of \$29,880,000 was made in 1884 and a final loan of \$5,000,000 in 1885 at a time when the fortunes of the Company were so near the breaking-point that George Stephen himself was ready to "give up the ghost". More than \$98,000,000 of government capital in subsidies and loans thus went into the building of the road in addition to the land grant of 25,000,000 acres.

The vicissitudes of the C.P.R. from 1881 to its completion in 1885 have passed into tradition, and it is unnecessary to recount them here. Beyond a doubt, however, the desperate straits of 1885 were matched by the faith of the original promoters in the ultimate solvency of the line, and the land grant was a very important ingredient in that faith. While less than \$12,000,000 appear to have been raised by the sale of town sites and land grant bonds during the actual building of the road, the financing of the railway during the lean years of the eighties and early nineties must have responded to the security of the Company's lands. The C.P.R. issue of \$15,000,000 in 1888, for instance, was guaranteed by the government on the security of unsold lands and in return for the surrender of the "monopoly clause". Fortunately the C.P.R. was built not as a contractors' road for profits on construction as in the Union Pacific, but for its ultimate value as a railway. The bonded indebtedness was kept low. Subsequent land sales, as we shall see, were subordinated to rapid settlement, expanding traffic, and the permanent prosperity of the pioneer. Measured by results it would be hard to find any category of Dominion Lands which subserved more effectively the best interests of the nation in land settlement.

The range, nevertheless, of cash subsidy, land subsidies, loans, completed railway in 1881 presented free to the Company, "monopoly clause", tax exemptions, free surveys, and other perquisites accorded to the C.P.R., may fairly be taken as an index of the national emergency. The Minister of Railways himself stated the case with characteristic candour: "Are the interests of Manitoba

and the North-West to be sacrificed to the interests of Canada? I say, if it is necessary, yes."

The C.P.R. is the only one of the great transcontinentals which has never gone into the hands of a receiver; and its function, as we shall see, will stand comparison with that of the government itself in the permanent development of the Canadian West.

## CHAPTER IV

### RAILWAY LAND GRANTS: COLONIZATION RAILWAYS.

#### *1. Branch Lines and Local Patriotism*

THE frenzy of railway projection which accompanied, and in many instances attempted to contravene, the C.P.R. "monopoly" during the eighties and early nineties, led to labyrinths of railway land grants which it would be impossible here to explore in detail. Individual grants were made on a relatively smaller scale; but nearly a dozen of these projects in the aggregate developed a technique which added nearly 12,000,000 acres of Dominion Lands to the Canadian railway land grant system before the fever had run its course. If the C.P.R. land grants subserved in the end many of the best interests of permanent prosperous settlement in Western Canada, many of the "colonization railways" exploited the system at its worst. The national character of these projects was seldom vindicated. On the other hand, the technique of the "colonization railway" became the most promising contrivance yet devised for getting lands cheap and in large quantities from the government. This desperate rivalry for land grants, beginning with premature incorporation and a mad scramble for eligible land reserves (Fig. 19), and passing through all the conventional stages of broken contracts and rival interests undermining and countermining each other's concessions from the government, filled a whole decade with turmoil and controversy.

The origins of the "colonization railways" are to be found before the granting of the final charter to the C.P.R. at a time when the government still avowed a policy of land sales at graduated prices in a railway belt 220 miles in width. Up to 1884 the "colonization railway" offered a plausible technique for the building of branch lines. Aspiring railway magnates, endowed with limited capital but abounding in local patriotism, sprang up in all directions to exploit the popular outcry against "monopoly" and to discount every prospect of future settlement. As early as 1880 chartered companies were applying for the right to purchase 3,840 acres per mile at \$1 per acre, the price of the remotest zone of the railway



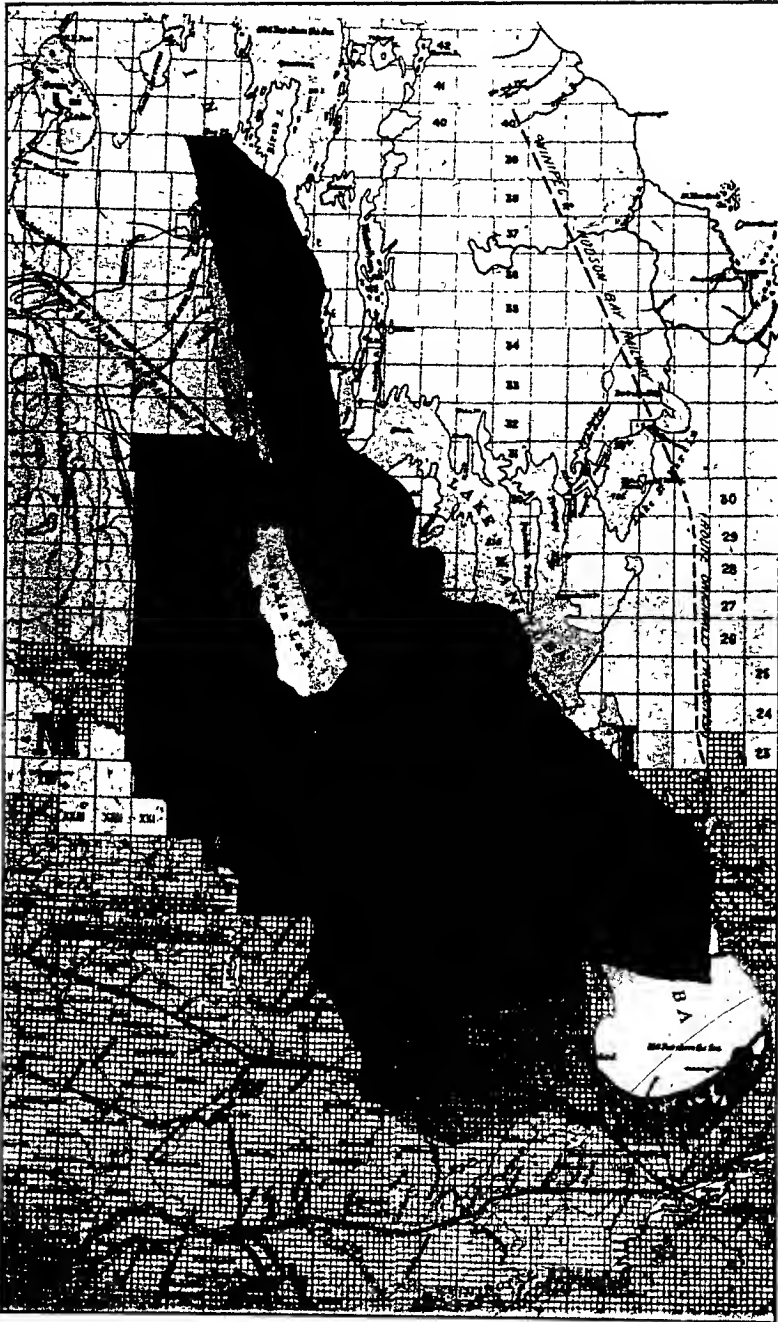


FIG. 19.—Map showing railway lands reserved for "selection" by Lake Manitoba Railway and Canal Company (lightly shaded), and the Hudson Bay Railway (heavily shaded). The Manitoba and North-Western Reserve and part of the C.P.R. Reserve are also shown south of the L.M.R. & C. From a map accompanying P.C. 1561, June 6, 1892.

belt in the project of 1879.<sup>1</sup> After the C.P.R. main line grants were authorized in 1881 the colonization companies secured the addition of 2,560 acres per mile to their privileges of purchase, thus acquiring a normal prospect of 6,400 acres per mile, or the odd-numbered sections for ten miles on either side of the railway. By 1884, however, the C.P.R. was receiving not only cash subsidies, unprecedented land grants, and completed lines to the value of \$35,000,000 from the government, but government loans of nearly \$30,000,000 in order to carry out their contract. With this profusion, in the popular fancy, towards the "great monopoly", the government could scarcely combine a niggardly policy of land sales to the "colonization railways": the right of purchase was transformed into a free grant, and no fewer than six "colonization railway" companies in 1884 and the following year were authorized by statute to "earn" Dominion Lands at the rate of 6,400 acres for every mile of railway. Like the land grants to the C.P.R., this acreage was selected as a rule from land grant reserves, in odd-numbered sections "fairly fit for settlement." The scramble thus began for eligible reserves. "Colonization" was conspicuous by its absence. Several of the "colonization railways", in order to carry on construction, resorted to the counterpart of the federal loan to the C.P.R.—the Railway Aid Act of the Manitoba government (1885) by which funds for railway construction could be raised by provincial debentures and advanced to the railways, on the security of railway land grants, at the rate of \$1 per acre.

Already there were signs of accommodation in many quarters with the C.P.R.—leases and prospects of ultimate amalgamation. Before long the meteoric rise of the Canadian Northern system had also begun, with the same process of accommodation and amalgamation in process on a smaller scale. And thus the "colonization railway" which had begun, in many instances, as a specious protest against "monopoly", ended by swelling one or other of the rival monopolies it was supposed to circumvent.

No fewer than six of these land grant railways, as we have seen, found their way into the orbit of the Canadian Pacific Railway. Three others acquired land grants that were finally amalgamated into the Canadian Northern system and eventually into the Canadian National. Another, the Qu'Appelle, Long Lake and Saskatchewan Railroad and Steamboat Company, ran the gauntlet of political controversy and railway rivalry until its land grant acreage

<sup>1</sup> See above, p. 226.

## DOMINION LANDS POLICY

TABLE III—RAILWAY LAND GRANTS\*

RAILWAYS	ACT† AND DATE OF LAND GRANT	TOTAL AREA EARNED BY CONSTRUCTION (acres)	NET LAND GRANT AUTHORIZED (acres)
CANADIAN PACIFIC RAILWAY:			
Main Line.....	44, Vict., c. 1 (Feb. 15, 1881).....	25,000,000	18,206,985**
Souris Branch. ....	53, Vict., c. 4 (May 16, 1890)		
	54-55, Vict., c. 10 (Sept. 30, 1891)..	1,408,704	1,408,704
Pipestone Extension ...	57-58, Vict., c. 6 (July 23, 1894)..	200,320	200,320
C.P.R. SUBSIDIARIES:			
Alberta R'y and Coal ("Irrigation") Co.....	48-49, Vict., c. 60 (July 20, 1885)		
	50-51, Vict., c. 22 (June 23, 1887)		
	52, Vict., c. 4 (May 2, 1889)		
	52, Vict., c. 50 (Mar. 20, 1889)		
	53, Vict., c. 3 (Mar. 26, 1890)		
	54-55, Vict., c. 77 (July 31, 1891)	1,114,368	1,101,712††
Man. and North-Western Railway.. ..	48-49, Vict., c. 60 (July 20, 1885)		
	49, Vict., c. 11 (June 2, 1886) .....	1,501,376	1,501,376
Manitoba and Southwestern Colonization Railway...	48-49, Vict., c. 60 (July 20, 1885)		
	54-55, Vict., c. 10 (Sept. 30, 1891)..	1,396,800	1,396,800
Great Northwest Central R'y.	49, Vict., c. 11 (June 2, 1886).....	320,000	320,000
Calgary and Edmonton R'y..	53, Vict., c. 4 (May 16, 1890) .....	1,888,448	1,820,685***
Saskatchewan and Western Railway .. .	57-58, Vict., c. 6 (July 23, 1894)...	98,880	98,880

TABLE III—RAILWAY LAND GRANTS\* (*continued*)

RAILWAYS	ACT† AND DATE OF LAND GRANT	TOTAL AREA EARNED BY CONSTRUCTION (acres)	NET LAND GRANT AUTHORIZED (acres)
CANADIAN NORTHERN AND SUBSIDIARIES:			
Winnipeg Great Northern Railway Co. . . . .	47, Vict., c. 25 (April 19, 1884) . . . . .	2,624,128	2,624,128
Lake Manitoba Railway and Canal Co. . . . .	52, Vict., c. 4 (May 2, 1889) 53, Vict., c. 4 (May 16, 1890) . . . . .	798,400	798,400
Manitoba and South East- ern Railway . . . . .	53, Vict., c. 4 (May 16, 1890) . . . . .	680,320	680,320
Qu'Appelle, Long Lake and Saskatchewan Railroad and Steamboat Co. . . . .	48-49, Vict., c. 60 (July 20, 1885) 50-51, Vict., c. 23 (June 23, 1887) . . . . .	1,625,344	1,625,344
TOTALS . . . . .		38,657,088	31,783,654†††

\* From Railway Land Subsidy Registers, *Sask. Res. Commission*.† *Statutes of Canada*.

\*\* Reduction of 6,793,014 acres in 1886 to retire government loan.

†† Reduction of 12,656 acres to satisfy indebtedness on coal lands.

\*\*\* Reduction of 67,763 acres in settlement of survey fees.

††† Patent Registers (*Alberta Res. Commission*) show 31,781,596 acres.

found its way chiefly into the resourceful administration of the Saskatchewan Valley Land Company.

Table III (from the Railway Land Subsidy Registers) shows the grouping of these railway land grants into their final setting. Under these categories it may be possible to trace briefly and conveniently the labyrinth of railway land grants which it would be impossible to explore in detail.

## 2. The C.P.R. Subsidiaries

The group of six railways whose land grants finally gravitated by reversion to the C.P.R. originated in a wide variety of projects few of which, in their origin, it would be safe to say, could establish a claim to the national functions accorded to the Canadian Pacific.

(a) Exceptional in many respects and one of the most resourceful

enterprises of Western Canada was the Alberta Railway and Coal (afterwards "Irrigation") Company. With one exception—the Winnipeg Great Northern—the A. R. and C. was the oldest of the land grant railways after the granting of the land subsidies to the C.P.R. In the scope of its operations it reflected all the resourcefulness and versatility of its founder and chief sponsor Sir Alexander T. Galt in association with such names as Lethbridge, Burdett-Coutts and other financial interests in Great Britain. No fewer than seven statutes, from April 19, 1884, to July 31, 1891, authorized the various stages of the land grant, and no fewer than 63 Orders-in-Council relate to the range of its enterprises in coal, timber, navigation, railways, and irrigation in southern Alberta.

As early as October, 1883, the consolidation of the coal and timber interests of the Northwestern Coal and Navigation Company was authorized by Order-in-Council (P.C., No. 2148, 1883) under the English Joint Stock Companies Act with Canadian charter. Contracts for the supply of 20,000 tons of coal per annum had already been arranged with the C.P.R. Beginning in that year with permission to buy 3,840 acres per mile of railway from Medicine Hat to the coal banks at \$1 per acre and "10,000 acres . . . of coal lands at the western terminus of the line" at \$10 per acre, the Company applied in 1884 "to surrender one-half the allotment of land along the line of railway, and that the other half (1,920 acres per mile) be granted to them at the cost of survey only."<sup>2</sup> The railway projected at this time was a narrow gauge (three feet) line. In the following year the Company proposed a change to standard gauge, and applied for 6,400 acres per mile "on the ground that that quantity has been granted to other Companies."<sup>3</sup> This scale of land grant was eventually conceded by statute: 3,800 acres per mile in 1885, increased in 1887 to 3,840 acres and finally in 1889 to 6,400 acres per mile for the 110 miles from Dunmore Station on the C.P.R. to Lethbridge. From the acreage "earned" in 1885 the Company applied for 100,000 acres in alternate townships instead of alternate sections—another characteristic enterprise of this resourceful company in the development of ranching in southern Alberta.

In 1889 a second company, the Alberta Railway and Coal Company, was chartered with a land grant of 6,400 acres per mile for a

<sup>2</sup> P. C. No. 1855, 1885.

<sup>3</sup> "The Minister observes that the North-Western Coal and Navigation Company is the only Railway Company which has recently succeeded in raising capital . . . and placed the same under contract." P.C. No. 32, 1885.

line southward from Lethbridge to the United States boundary. The amalgamation of these two companies as the Alberta Railway and Coal Company in 1891 completed the enterprise which accounted for land grants of nearly 1,100,000 acres in Alberta.<sup>4</sup>

The enterprise of the Alberta Railway and Coal Company in Dominion Lands, however, had by no means come to an end. The amalgamation of 1891 in the interests of railway land grants was followed by a more venturesome pioneering enterprise in the field of irrigation. As early as 1895 the Company developed a project of consolidating nearly 250,000 acres of their land grants into a compact block for sale to an irrigation enterprise in the St. Mary's River district.<sup>5</sup> It was this project which recruited Mormon settlement from Utah in 1897 and procured from the government an additional tract of 500,000 acres at a net cost of \$1 per acre in 1902.<sup>6</sup> Two years later a merger was arranged between the Alberta Railway and Coal Company, the North-West Irrigation Company, and the St. Mary's River Railway Company under the name of the Alberta Railway and Irrigation Company. This Company in turn passed into the control of the C.P.R.—the sale or lease of the A. R. and C. Company's lines to the C.P.R. had been authorized by statute<sup>7</sup> as early as 1893—and it was under these auspices that the half-million acre tract of the A.R. & I. Co. was finally developed and integrated with the Irrigation Block of the C.P.R. It would be hard to find more versatile and resourceful enterprises than these in the development of Western Canada. The A. R. and I. Co., went far to redeem the record of the "colonization railways" from the charge of futility and confusion in the exploitation of western lands.

(b) The Manitoba and Southwestern Colonization Railway, chartered in 1879, was in some respects the prototype of "the second class or colonization Railways" recommended by J. S. Dennis, the Deputy Minister of the Department, during the formative stages of the C.P.R.<sup>8</sup> Under the promotion of Dr. Schultz the Company was to be permitted to purchase 3,840 acres per mile at \$1 per acre, the price of railway lands in the remotest zone of the railway belt at that time—a price, it was thought, which "would afford a fair

<sup>4</sup> Less than 5,500 acres were patented in Saskatchewan.

<sup>5</sup> P.C. No. 207, 1896.

<sup>6</sup> P.C. No. 3502, 1898; No. 1858, 1902. The stipulated price was \$3 per acre but the Company procured reductions of \$2 per acre in compensation for additional costs of irrigation.

<sup>7</sup> *Statutes of Canada*, 56 Vict., c. 38.

<sup>8</sup> P.C., No. 324, 1880.

margin of profit to the company upon the sale of such lands by it, the building of the Railway being assured." The following year<sup>9</sup> the acreage purchasable was increased to 6,400 per mile which became the normal scale for the colonization roads, and the line was intended "to develop the coal mining industry of the Souris Valley".

After the usual vicissitudes of all such enterprises until 1885, the permission to buy 6,400 acres per mile was changed to a free grant in alternate sections of lands "fairly fit for settlement": the Company to be "granted 6,400 acres of land per mile for 152 miles of railway, equal to 972,800 acres."<sup>10</sup> The same year the line was leased to the C.P.R. and Van Horne himself became its most influential director. The projected mileage of the road was reduced in 1886 to 130 miles but the total acreage was retained so that the line was to "earn" 7,483.84 acres per mile.<sup>11</sup> At this juncture the Company was forced to avail themselves of the provisions of the Manitoba Railway Aid Act by authorizing the transfer to the Province of Manitoba of 900,000 acres of their prospective land grants as security for funds at the rate of \$1 per acre, to be raised by provincial debentures for the construction of the road. This advance, however, was quickly paid off from the proceeds of the Company's land sales. A second land grant followed in 1891. Meanwhile extensions were projected "in deference to the wishes and actual needs of the settlers." A total mileage of 218.25 miles was eventually built in Manitoba, earning land grants of 1,396,800 acres. Of this acreage about 530,000 acres were eventually selected in Manitoba, nearly 547,000 acres in Saskatchewan, and nearly 320,000 acres as far afield as Alberta. Of the Alberta acreage about 100,000 acres were located in a solid block near Lethbridge. After 1885 the Manitoba and Southwestern land grants were regularly administered by the Land Commissioner of the C.P.R.

(c) The Manitoba and North-Western Railway supplied still another variation upon this familiar theme of "colonization railway" land grants. Like the Manitoba and Southwestern it had been chartered two years before the C.P.R.—under a Manitoba charter (43 Vict., c. 41) as the Westbourne and North-Western Railway Company. A Dominion charter in 1882 changed the name to Portage and Westbourne and North-Western Railway Company, and the usual permission to purchase 6,400 acres per mile was

<sup>9</sup> P.C., No. 365, 1881.

<sup>10</sup> P.C., No. 1908, 1884.

<sup>11</sup> P.C., No. 608, 1886.

granted the following year. Again the name was changed to the Manitoba and North-Western Railway Company (46 Vict., c. 68, May 25, 1883) and two years later the Company was endowed with a statutory land grant in common with the Manitoba Southwestern. The right to purchase 6,400 acres per mile was thus transformed into a free grant "for the whole distance from Portage la Prairie to the crossing of the south branch of the River Saskatchewan, twenty miles from Prince Albert, about four hundred and thirty miles."<sup>12</sup> This statutory grant was extended in 1886<sup>13</sup> to a branch line from "Todburn, in a northwesterly direction . . . to the Assiniboine River, near the town of Shellmouth, about twenty-six miles."

The rate of construction prescribed by statute (47 Vict., c. 69) was 50 miles a year, but Act after Act—no fewer than seventeen from 1886 to 1928—reduced the rate from 50 to 20 miles, or extended the time for construction, or in some instances suspended operations altogether. Of the 430 miles of line originally projected a little less than 225 miles were eventually completed—182 miles in Manitoba and 52.59 miles in Saskatchewan. Total land grants "earned" amounted to 1,501,376 acres, of which more than 1,077,000 acres were finally located in Saskatchewan.

These vicarious land grants—Saskatchewan lands for Manitoba mileage—were by no means, as we have seen, exceptional; but there was another ingredient which complicated the Manitoba and North-Western grants and distorted out of all proportion the practice of "indemnity selection" from lands "fairly fit for settlement". The Company undertook to finance construction by disposing of its land grants to land companies or individuals in the form of land warrants endorsed by the Department of the Interior. These warrants issued for acreage as low as quarter sections were held to be applicable within the vast range of reserves set apart for the selection of 2,752,000 acres originally authorized to the Company for 430 miles of railway. The complications were acute enough when the Department began to demur against the location of these warrants for Manitoba railway mileage on the banks of the Carrot River in Saskatchewan; but when the Province of Manitoba appeared in the lists as holders of more than half a million acres of Manitoba and North-Western land warrants the practice resulted in the most anomalous and grotesque feature, perhaps, of the whole railway land grant system.

<sup>12</sup> *Statutes of Canada*, 48-49 Vict., c. 60, July 20, 1885.

<sup>13</sup> *Ibid*, 49 Vict., c. 11.



Like the Manitoba and Southwestern, the Manitoba and North-Western had been forced to resort to provincial aid under the Manitoba Railway Aid Act, by which funds for railway construction could be raised by provincial debentures on the security of railway land grants at \$1 per acre. When the Company, unlike the Manitoba and Southwestern, was unable to meet its obligations to the province, security land warrants aggregating 542,560 acres were finally taken over and located by the provincial government. Of this area about 256,000 acres were selected in the province of Saskatchewan, and from 1900 to 1929 the government of Manitoba sold more than 465,000 acres of its Manitoba and North-Western Railway Lands for more than \$2,200,000. Thus a Canadian province whose lands were being administered "by the government of Canada for the purposes of the Dominion" contrived to encourage railway construction within its own borders at the expense of more than quarter of a million acres of Dominion Lands in a neighbouring province.

One other doubtful distinction belongs to the Manitoba and North-Western. If the avowed purpose of the railway land grant system had been to build railways by means of the land through which they had to pass, it would be hard to imagine a more direct application of the principle. Land warrants endorsed by the Department of the Interior and applicable to reserves set apart for the selection of nearly twice the acreage earned by the road, were negotiated broadcast and the proceeds applied immediately to the cost of construction. Practically the whole land grant of the railway was absorbed in this way. It was purchased by all sorts of agencies from the Province of Manitoba, as we have seen, to land corporations and individual settlers; and its piecemeal location was so protracted that the government itself had to intervene. It will be noted that among the annual reports of land sales required by the government from the land grant railways and the Hudson's Bay Company, no returns are listed from the Manitoba and North-Western Railway.<sup>14</sup> The reasons will be obvious: the lands had already been "sold" in order to build—or half build—the railway "by means of the land through which it had to pass".

(d) The Saskatchewan and Western Railway has four or five questionable distinctions. It was the shortest of the colonization railways—less than 16 miles in length from Minnedosa to Rapid City in the Province of Manitoba. Though built altogether in

<sup>14</sup> See *Report of the Department of the Interior, 1930* (Ottawa: King's Printer), pp. 27-28.

Manitoba its land grant was finally located altogether in the Province of Saskatchewan. A third distinction was almost equally anomalous. The line was already completed "through a well settled and important section of country"—"an indispensable factor to its growth and prosperity"—before the example of less fortunate land grant railways was held to entitle the Saskatchewan and Western also to be "aided in the same way as other Colonization Railways by a grant of Dominion Lands."<sup>15</sup> A fourth distinction was shared by the Pipestone Extension of the C.P.R.: its statutory land grant Act was the last to be passed before the system was finally abrogated in 1894. Despite the name of the railway, it had nothing to do with Saskatchewan, as we have seen, except for its westward direction and vicarious land grant in that province. Even this was apocryphal; for the delay in implementing its claims was surely exceptional. Though the railway was completed and the grant approved by Order-in-Council as early as 1894, no steps were taken until 1903 to select its "earned" acreage or even to locate a reserve for the purposes of the grant; and the final selection was made, after amalgamation, under the auspices of the C.P.R.

The Saskatchewan and Western was originally incorporated under a Manitoba charter in 1886 (c. 59). Though endowed with its land grant at the usual rate of 6,400 acres per mile by Dominion statute (57-58 Vict., c. 6) in 1894, it was not declared to be "for the general advantage of Canada" and thus brought formally under the Railway Act until 1901 (1 Edw. VII, c. 83). The location of its land grant reserve was part of the final settlement of the outstanding claims of the C.P.R. in 1903; and the acreage finally selected was located in the unused area of the old Manitoba and North-Western reserve in Saskatchewan. It would be hard to find more anomalies in a narrower compass than in this last and least of the land grant railways from Minnedosa to Rapid City in the Province of Manitoba.

(e) Next to the Saskatchewan and Western, the Great North-West Central Railway was the shortest of the land grant railways: its mileage stood in inverse ratio to its name and to the range of its early ambitions.

The line originally projected was to run from Brandon on the C.P.R. to Battleford on the Saskatchewan, "about four hundred and fifty miles". Fifty miles were finally completed, all within the Province of Manitoba.

<sup>15</sup> P.C., No. 3143, 1894.

The statutory land subsidy at the usual rate of 6,400 acres per mile was authorized in 1886 (49 Vict., c. 11), though the title "Great" was a subsequent addition to its name. No fewer than six Acts from 1897 to 1906 reduced the projected mileage or extended the time for construction. The last extension terminated on May 11, 1911. Of the land grant finally "earned"—320,000 acres for 50 miles of road—less than 6,000 acres were selected in Manitoba. More than 313,500 acres were located in Saskatchewan; and to make the record of vicarious selection complete and impartial, one single section—640 acres—was selected in the Province of Alberta.

(f) The Calgary and Edmonton Railway, though not quite the last of the colonization railways to be endowed with a statutory land grant, was from the first so closely associated with the C.P.R. that its final function as a subsidiary of that system was almost taken for granted. The same Act (53 Vict., c. 4, May 16, 1890) which authorized its land grants applied also to the Lake Manitoba Railway and Coal Company and the Manitoba and South Eastern—both destined, as we shall see, to become subsidiaries of the rival Canadian Northern system.

The Calgary and Edmonton was originally projected not only from Calgary to Edmonton, "a distance of about one hundred and ninety miles", but northward to the Peace River district and southward for "about one hundred and fifty miles" to the international boundary. By an Act of the same year (53 Vict., c. 5) government transportation contracts with the C. and E. to the value of \$80,000 per year for twenty years were authorized on the security of one-third of the land grant on the mileage from Edmonton to Calgary. The same Act authorized an agreement with the C.P.R., and two years later an issue of C.P.R. debenture stock was authorized to complete the line.

Almost alone of the colonization railways the C. and E. located its land grants chiefly in the province where the acreage was actually "earned". The Order-in-Council of June 27, 1890 (No. 1655) stipulated "unoccupied or unclaimed odd-numbered sections", or if so agreed, "alternate townships . . . within 22 miles of the line of railway on each side thereof"; though additional reserves were necessary as usual to provide the requisite acreage "fairly fit for settlement".

The Calgary-Edmonton line was practically completed by September, 1891, and the location of 1,216,000 acres of the land grant was authorized accordingly, with the statutory reservation of

407,402 acres as security for the \$80,000 contract with the government. Three months later fifty miles had been built south of Calgary and further grants of 320,000 acres were authorized.<sup>16</sup> A year later the line had reached McLeod. By July of 1893 a total mileage of about 295 miles entitled the Company to more than 1,880,000 acres of Dominion Lands. The speedy and methodical construction of the Calgary and Edmonton Railway thus stands in conspicuous contrast to the sluggishness or sheer desuetude of other lines; and it must be conceded that the land grants were in no small measure responsible for attracting the necessary capital.<sup>17</sup> The total acreage "earned" on a mileage of 295.07 miles was 1,888,448 acres, of which 67,763 acres were retained to defray survey fees. With the exception of less than 13,500 acres patented in Saskatchewan, this entire acreage was located in Alberta.

One feature of the C. and E. land grant supplied a notable "leading case" of general application to the whole Canadian system of contemporary railway land subsidies. Up to 1889, patents to Dominion Lands contained no valid reservation to the Crown of mines and minerals, though prerogative rights to gold and silver were claimed and successfully vindicated. After the land regulations of September 17, 1889, however, Crown patents issued for railway lands as well as other categories specifically reserved mines and minerals.<sup>18</sup> The statutory grants to the C. and E., being subsequent to these regulations, were regarded by the Dominion as entitled only to the regular form of Crown patent.

The shrewd officials of the Company—and particularly E. B. Osler of the Calgary and Edmonton Land Company—thought otherwise. The case went against the Company in the Alberta courts; and the Supreme Court of Canada, which was evenly divided, failed to reverse the finding. The Judicial Committee of the Privy Council, however, drew a clear distinction between lands "granted as a subsidy, i.e., by way of bounty" and "Crown lands reserved for sale, or homesteads." The former "when granted to the Company" ceased to be "Dominion Lands" and were therefore subject not to the general Dominion Lands Act of

<sup>16</sup> P.C., No. 22, 1892.

<sup>17</sup> Cf. Kingsmill to Bowell and Dewdney, July 8, 1891, in applying for land grants for mileage from Calgary to Red Deer. "The reason why this is so urgently wanted is that the bankers in London are cabling the officers of the Company to have it done in reference to the financial arrangements in London" Ref. 269,225, with P.C., No. 1626, 1891.

<sup>18</sup> "An earlier Order-in-Council of the 31st October, 1887 . . . was never duly promulgated, and . . . should be disregarded." The Privy Council in the Appeal of the Calgary and Edmonton Railway Co., v. the King, Aug. 5, 1904.

1886 and land regulations of 1889 but to the statutory railway land grant (53 Vict., c. 4) and the subsequent Order-in-Council (No. 1655, 1890) as the "governing documents" of the case.

As a result of this decision supplementary patents to include mines and minerals other than gold and silver became necessary not only for the C. and E. but for the other contemporary land grants to the Canadian Northern and the Souris Branch and Pipe-stone Extension of the C.P.R.<sup>19</sup> Throughout the whole range of the Dominion railway land grant system, therefore, both surface and mineral rights (other than gold and silver) have come to be recognized in an area almost as large as England—more than 31,750,000 acres—in the attempt to build the railways of a frontier community by means of the land through which they had to pass.

### 3. *The Canadian Northern and Subsidiaries*

The three main streams which finally merged into the forthright current of the Canadian Northern were themselves the product of many antecedent tributaries. No fewer than ten incorporations or amalgamations are traceable—in several instances, to sources as remote as 1880. Beyond the scope and general direction of these projects, which ranged as far afield as Port Nelson and Fort Churchill on Hudson Bay, there was little to distinguish their fortunes from the normal course of "colonization railways" until the necromancy of Mackenzie and Mann, like the outstretched arm of Moses over the Red Sea, directed their volume into a common channel.

(a) In its origin the Winnipeg Great Northern was one of the earliest railway projects of Western Canada. In range and outlook it was a reversion to the historic approach by which both fur trade and settlement had first reached the prairie—the Hudson Bay route. As early as 1880 two rival companies, the Nelson Valley Transportation Company and the Winnipeg and Hudson's Bay Railway Company, were incorporated for the purpose of building towards Hudson Bay—the first "to the harbour of Churchill", the second "from the City of Winnipeg . . . to Port Nelson". On July 28, 1882, both were authorized<sup>20</sup> to purchase Dominion Lands along their route; the first at the rate of fifty cents per acre and 6,400 acres per mile for 356 miles, the second for 573 miles at

<sup>19</sup> Since these grants, like those to the C. and E., had been enacted after the Regulations of 1889, the patents had reserved mines and minerals.

<sup>20</sup> P.C., No. 1647, and No. 1648, 1882.

the rate of \$1 per acre and 3,840 acres per mile to the 54th parallel of latitude (the boundary of the province), and thence on to Port Nelson at the rate of fifty cents per acre and 6,400 acres per mile.

In 1883 these two Companies were amalgamated as the Winnipeg and Hudson's Bay Railway and Steamship Company (46 Vict., c. 69), with rights of purchase consolidated to 6,400 acres per mile at \$1 per acre within the province and 12,800 acres per mile at fifty cents per acre in the territories. It was this Company in the following year which was the first of all the "colonization railways" to transform the right to purchase Dominion Lands by Order-in-Council into a free-statutory grant.

Seldom has so far-reaching a precedent been set by conditions so exceptional. Neither the acreage value of the land grant nor its general purpose could fairly be drawn into comparison with the vast acreage of statutory railway land grants subsequently authorized for the "colonization railways". The immediate issue, moreover, was "provincial rights" rather than railway land grants. For several years there had been insistent demands in Manitoba for further extension of the boundaries, "chiefly in connection with the desire of that Province to extend railway communication to the waters of Hudson's Bay." A Committee of Privy Council in refusing this demand sought to alleviate its cause: if the combined resources of rival companies could be dedicated to the task, the government volunteered an "application . . . to Parliament to convert the sale which it was intended to have made to those companies . . . into a free gift."<sup>21</sup> Thus came to pass the first of the statutory grants to the "second class or colonization Railways". Others were quick to follow. The second in point of time, the North-Western Coal and Navigation Company, as we have seen, in applying for their first statutory land grant in Alberta, could urge what had "been granted to other Companies".

The land grant to the Winnipeg and Hudson's Bay Railway and Steamship Company was passed on April 19, 1884 (47 Vict., c. 25). A free grant was authorized of "not more than six thousand four hundred acres for each mile of railway within Manitoba and not more than twelve thousand eight hundred acres for each mile in the North West Territories", for a railway "from some point on the Canadian Pacific Railway to Hudson's Bay". Future amalgamation was forbidden with the C.P.R. In one sense this was not only the first but the last of the colonization railways, for the

<sup>21</sup> P.C., 379½F, 1884.

Hudson Bay Railway eventually undertaken in 1908, with the pre-emption system devised for its construction, was in many respects but a revival of the project of 1884.<sup>22</sup>

During the decade and a half after its statutory land grant, the Winnipeg and Hudson's Bay Railway and Steamship Company passed through too many metamorphoses to be followed here in detail. The name was changed to Winnipeg and Hudson's Bay Railway Company in 1887, and again to the Winnipeg Great Northern Railway Company in 1894. As late as 1886 construction had yet to begin. Ten years later (May 12, 1896) a "transport contract" like that with the Calgary and Edmonton line was still being revised for the usual lien on the land grant—one-third of the acreage to be "earned"—as security for the mail and other services required by the government. The final metamorphosis took place in 1899 when the Winnipeg Great Northern and the Lake Manitoba Railway and Canal Company were amalgamated under the portentous name of the Canadian Northern. Thus passed the first project for a Hudson Bay railway: the earliest and most ambitious of the three main tributaries of the Canadian Northern system, but almost the last in achievement. Its final alignment was to be found not only with the historic Hudson Bay route but with the meteoric project of Mackenzie and Mann for a second transcontinental railway.

The total mileage "earning" the Winnipeg Great Northern land grant was given in 1908 as 290.86 miles, of which 171.7 lay in the Province of Manitoba by way of Gladstone and Sifton Junction, and the remainder from the provincial boundary to the Pas in Saskatchewan.<sup>23</sup> The first section "earned" 6,400 acres per mile or 1,098,880 acres, and the second 12,800 acres per mile or 1,525,248 acres—a total area of 2,624,128 acres. By this time the constituent land grants and railway reserves of the Canadian Northern system had become "scrambled" almost beyond the possibility of discrimination, and the final location of the Winnipeg Great Northern acreage can be given by provinces only in conjunction with the Lake Manitoba Railway and Canal Company grants. It was not, as we shall see, until the projected Hudson Bay Railway and "pre-emption" policy of the Liberal government in 1908 forced the liquidation of outstanding railway land grants that the acreage "earned" by the Canadian Northern system as a whole was finally located.

<sup>22</sup> See below, pp. 332 f. and 418, and *Debates of the House of Commons, Ottawa, 1908*, 11126 ff.

<sup>23</sup> P.C., No. 1579, Aug. 3, 1908.

(b) The Lake Manitoba Railway and Canal Company, the second constituent of the Canadian Northern system, was one of the smallest and one of the last but by no means one of the least among the "colonization railways", for from this modest source, as it proved, may be said to have developed the whole Canadian Northern system. The Lake Manitoba Railway and Canal Company was the first venture of Mackenzie and Mann into the seductive field of railway promotion. The most spectacular features, perhaps, of Canadian Northern expansion were achieved under the subsequent technique of provincial guarantees for railway bonds; but the technique of the railway land grant system which prevailed until 1894 was responsible in the end for more than 520 miles of railway and an area of more than 4,000,000 acres of railway land grants (including the Manitoba and South Eastern) under the resourceful administration of the Canadian Northern and its subsidiaries.

The Lake Manitoba Railway and Canal Company was incorporated (52 Vict., c. 57) in 1889, by a curious coincidence the year which brought Mackenzie and Mann for the first time into permanent partnership in the field of railway construction in Western Canada. Their active career in railway promotion was to begin six years later with their control of the Lake Manitoba Railway and Canal Company in 1895.

The first statutory land grant of the Company was enacted also in 1889 (52 Vict., c. 4) at the usual rate—6,400 acres per mile "from Portage la Prairie to the southern boundary of Lake Manitoba, a distance of about seventeen miles". This modest enterprise was extended the following year and confirmed by a second statutory land grant (53 Vict., c. 4, May 16, 1890) of 6,400 acres per mile "from Portage la Prairie to Lake Winnipegosis, at or near Meadow Portage, a distance of about one hundred and twenty-five miles." The grant was to "consist of the odd-numbered Sections at the disposal of the Government within 12 miles of the railway on each side thereof", though any deficiency could be "made up from lands elsewhere".<sup>24</sup> The familiar phrase "fairly fit for settlement" appears for the first time only in 1893,<sup>25</sup> but it was not long before the discernment of this Company for lands "fairly fit for settlement" was to become proverbial in Western Canada.

Construction lagged, however, and the Company had to be

<sup>24</sup> P.C., No. 1454, July 22, 1891.

<sup>25</sup> "As it has been usual to stipulate that the lands to be granted as a subsidy in aid of the construction of a railway shall be fairly fit for settlement, and as the case of this Company is not exceptional in any respect." P.C. No. 90, Jan. 13, 1893.



completely reorganized when it was acquired by Mackenzie and Mann in 1895 as the nucleus about which the other railway land grants of that remarkable system began to coalesce. The line as finally put into operation in January, 1897, ran from Gladstone to Winnipegosis, a distance of 124.75 miles, with a land grant of 798,400 acres. Two years later the amalgamation of this little company with the Winnipeg Great Northern (62-63 Vict., c. 57, 1899) under the historic name of the Canadian Northern was the signal for another veritable scramble for eligible land reserves. The old Manitoba and North-Western reserve, the Qu'Appelle, Long Lake and Saskatchewan reserve, and several others, were explored to satisfy the fastidious standards of the new company and its agents, the Saskatchewan Valley and Manitoba Land Company, for lands "fairly fit for settlement". It is not by chance that the land grant acreage accumulated by the Canadian Northern has realized a higher average gross price per acre than any other category under the railway land grant system.<sup>26</sup>

The combined land grant mileage of the Lake Manitoba Railway and Canal Company, and the Winnipeg Great Northern as united in the Canadian Northern system amounted finally to 415.61 miles. Of this 335.65 lay in Manitoba and 79.96 in Saskatchewan. The final acreage of the land grant was supplied vicariously, as usual; with a disproportionate area from Saskatchewan. With 335 miles of road, Manitoba supplied less than 356,500 acres of the land grant, while Saskatchewan with less than 80 miles of road supplied more than 3,060,000 acres. Alberta with no land grant mileage at all under the Canadian Northern system, escaped with about 6,019 acres. Manitoba thus contributed less than 1,062 acres per mile of the railway in Manitoba, and Saskatchewan more than 38,000 acres per mile of the railway in that province.

The combined acreage finally patented amounted to a little over 3,422,363 acres, the largest acreage under one category after the main line grant to the C.P.R.

(c) The Manitoba and South Eastern, the third ingredient of the Canadian Northern land grant, had its origin—like its contemporary, the Lake Manitoba Railway and Canal Company, and the historic partnership of Mackenzie and Mann itself—in 1889. The simultaneous birth of these three independent interests, like their confluence into the Canadian Northern, had far-reaching consequences for Western Canada.

<sup>26</sup> *Report of the Department of the Interior, 1930, p. 28.*

The statutory land grant in 1890 (53 Vict., c. 4) authorized, as usual, 6,400 acres per mile "for a line of railway from Winnipeg southerly or south-easterly to a point on the west side of the Lake of the Woods, a distance of about one hundred and ten miles." The Order-in-Council implementing this grant stipulated odd-numbered sections "fairly fit for settlement . . . east of the Red River".<sup>27</sup>

The line was completed in December, 1899, with mileage of 106.3 miles, thus "earning" 680,320 acres of land subsidy. The prospects of locating this acreage in the reserves east of the Red River were very remote. William Pearce, at that time an official of the Department of the Interior, reported in 1899 that "at least 35 per cent." of the 700,000 acre tract set apart for the Manitoba and South Eastern was made up of swamp lands the administration of which had been transferred by the Dominion to the Province of Manitoba; that not more than "50 per cent. were fairly fit for settlement"; and that not more than 227,000 acres were thus left to satisfy the land grant.<sup>28</sup>

The amalgamation of the Manitoba and South Eastern with the Canadian Northern took place in 1901 (c. 52) but as late as 1907 little progress had been made with the location of the land grant. Sir William Mackenzie, President of the Canadian Northern, protested in that year that the encroachments permitted by the Dominion upon the land reserves inherited from the old M. and S.E., were "without precedent in the history of subsidized lines." The new Dominion Lands Bill, moreover, was about to open odd-numbered sections (hitherto reserved for railway land grants) to general settlement in the form of "pre-emption" and "purchased homesteads". Land grant railways were informed that "selection of lands on account of . . . land subsidy must be completed by December 31st, 1907, as no reservation will be continued after that date."

The normal search for eligible lands was again intensified to a veritable scramble by this impending liquidation of the whole railway land grant system. In January, 1907, scarcely 20,000 of the 680,320 acres of the old M. and S. E. line land grant had been selected. No fewer than four reserves were explored before the remaining acreage was finally located, and the result was characteristic of the Canadian method of "indemnity selection" at its

<sup>27</sup> P.C., No. 2444, 1891.

<sup>28</sup> File 200,805, March 15, 1899. Surveyor-General's Office.

worst. For 106.3 miles of railway exclusively in southeastern Manitoba, a little more than 36,000 acres of the land subsidy were finally patented within that province; about 643,665 acres were selected in Saskatchewan, and about half a section, as though in precious demonstration of impartiality, in Alberta.

The total land grant mileage of the Canadian Northern system amounted to 521.91 miles, of which 441.95 lay in Manitoba and 79.96 in Saskatchewan. The total land grant acreage in the patent registers was distributed in inverse ratio: 392,938 acres in Manitoba, and 3,703,682 in Saskatchewan. Alberta which got no railway mileage at all escaped with 6,331 acres of land subsidy.

#### *4. The Qu'Appelle, Long Lake and Saskatchewan Railroad and Steamboat Company*

It remains to note one at least of the "colonization railways" which long ran the gauntlet of railway rivalry between the C.P.R. and Canadian Northern systems, and emerged with the distinction of locating both railway mileage and land grant acreage within the same province. That this could happen in the long-suffering Province of Saskatchewan adds distinction to the role. Nowhere perhaps was the wrangle over eligible reserves more bitterly prosecuted than for the land grants of the Qu'Appelle, Long Lake and Saskatchewan Railroad and Steamboat Company. Controversy, as interminable as the name of the Company, dragged on with rival political interests until the major issues were solved by the Saskatchewan Valley Land Company. It was in the midst of this controversy that the historic phrase "fairly fit for settlement", which runs like a red thread through the whole range of the Canadian railway land grant system, received its final interpretation at the hands of Clifford Sifton.

The early phases of the Qu'Appelle, Long Lake and Saskatchewan Company from its incorporation in 1883 (46 Vict., c. 26) to its first statutory land grant (48-49 Vict., c. 60, July 20, 1885) were almost indistinguishable from those of three or four other lines endowed by the same statute. The right of purchasing 6,400 acres per mile at \$1 per acre was transformed as usual into a free grant for a short twenty mile line from Regina to Long Lake. A second statute in 1887 (50-51 Vict., c. 23, June 23) authorized land grants for extensions to Battleford.

There were government contracts for \$80,000 per annum for

mails and other services, as for the Calgary and Edmonton line promoted by the same financial interests. In both there was the usual reservation of "security lands" from the land subsidies as security for the services subsidized by the government. There can be no doubt, moreover, that the land grant for the Qu'Appelle, Long Lake and Saskatchewan Company, like that for the Calgary and Edmonton line, was intimately linked with the financing of the railway. The unseemly wrangle for bigger and better reserves, for the rejection of acreages which the government considered eligible and adequate, and finally for protection, as the Company contended, against the encroachment of other interests in several of the remoter reserves of the Company, brought so sharp a disagreement with the government that a suit in the Exchequer Court was begun in 1900. The shrewd and resourceful counsel of E. B. Osler, whose success in acquiring mineral rights for the Calgary and Edmonton line in their appeal to the Privy Council has already been outlined, now championed the cognate interests of the Qu'Appelle, Long Lake and Saskatchewan Company, when the Saskatchewan Valley Land Company appeared upon the scene and undertook to purchase a tract of more than 800,000 acres of the disputed reserve for their enterprise in colonization.<sup>29</sup> It was during this controversy that the contentious phrase "fairly fit for settlement" was finally defined by the Minister of the Interior: "Lands fairly fit for settlement shall be held to mean that each quarter section shall, as respects soil and climate, be of such a nature that a man can make a reasonable living for himself and his family off such quarter section without the use of adjoining lands by ordinary work and industry."<sup>30</sup>

The total mileage of the Qu'Appelle, Long Lake and Saskatchewan line was 253.96 miles, all in Saskatchewan, thus "earning" a land grant of 1,625,344 acres. The whole patented acreage of this company (1,624,153.57 acres) is to be found entirely within the boundaries of Saskatchewan—the only instance, it would seem, within the whole range of the Canadian railway land grant system, in which both railway mileage and land grant acreage are to be found in their entirety within the boundaries of the same province.

With the Qu'Appelle, Long Lake and Saskatchewan Railroad and Steamboat Company the long tale of "colonization railways" subsidized by Dominion Lands comes to an end. Running the gauntlet of both the major railway systems it passed in turn into

<sup>29</sup> The gross sales of the Qu'Appelle, Long Lake and Saskatchewan Company for 1903 were given as 843,900 acres for \$1,476,900. *Report of the Department of the Interior, 1900*, p. 27.

<sup>30</sup> Hon. Clifford Sifton to A. R. Creelman, Jan. 5, 1899.

the administration of both. Concerning the land grant of the Qu'Appelle, Long Lake and Saskatchewan line more remains to be told. The Saskatchewan Valley Land Company which absorbed more than 800,000 acres of its land grant developed there a new and daring technique in Canadian enterprise. An attempt to appraise this technique of land settlement in Western Canada during the first decade of the twentieth century must be postponed to another chapter, and in greater detail to another volume of this series.<sup>31</sup> The railway land grant system as a whole it was scarcely possible, perhaps, to forecast with any accuracy at that time. The by-products of the system, as we shall see, have proved scarcely less significant than its immediate purposes; for while the railway land grant system came technically to an end in 1894, it continued to complicate, if not to dominate, land policy until the outstanding statutory grants "earned" by the railways were finally located or liquidated in 1908.

<sup>31</sup> See the sections on Colonization Companies in Volume III.

## CHAPTER V

### RAILWAY LAND GRANTS: POLICIES AND BY-PRODUCTS

THE place of the railway land grant system in "Dominion Lands" policy can scarcely be appraised apart from the other categories—and particularly the free-homestead system—with which it was so closely integrated. While it may be advisable, therefore, for this reason, to postpone comparisons to a later chapter, there are several features which may be recapitulated here without reference to the wider context.

If the primary purpose of the railway land grant system was to get a transcontinental railway built by the readiest means then available for the purpose—"by means of the land through which it had to pass"—there were other factors which, though by-products of the system, were scarcely less direct in their bearing upon Dominion policy. The railways themselves in their own interests might prove to be colonizing agencies of the first importance. On the other hand the railways, obsessed with the technique of construction and finance, might be tempted to turn over their land grants to land companies; and land companies seldom failed to exploit all the virtues and defects of their kind in purveying railway lands indiscriminately to settler and private speculator alike. With the first of these intermediate stages of alienation "Dominion policy" came technically to an end. In another sense, however, its real function had scarcely begun, for the ultimate purpose of all land policy was permanent and prosperous settlement. Thus the indirect results, both good and bad, of the railway land grant system were very far-reaching. Some of the by-products confirmed the original purpose of the land subsidy, and some tended to defeat it. Some features of the system, in a manner which could scarcely have been foreseen at the time, subserved the best interests of western Canadian agriculture.

#### *1. Railways and Settlement*

The place of railways in the settlement of Western Canada is axiomatic. The maps in a previous chapter (Figs. 9-18, pp.

246-250) illustrate sufficiently for general purposes here the direct relationship between railways and population during the formative stages of frontier settlement. While it would seem at first sight, as Dr. Mackintosh has observed, that the railways "followed the settler rather than preceded him", it is more than likely that "in reality the settler, for the most part, merely anticipated the railway already projected or under construction."<sup>1</sup> In any event, whatever the temporary relationship between the frontiersman and the railway, the permanent relationship between the railway and sound economic settlement is scarcely to be gainsaid.

The importance of the railway land grant system in this phenomenal development is indicated in Figure 20. Nearly 3,000 miles of railway in the Prairie Provinces were built under a policy of land subsidies. While the last of the statutory land grants was made in 1894, it must be borne in mind that the railway construction by which these land grants were to be "earned" went on for many years; and the grants themselves continued to be implemented by Order-in-Council, as we have seen, until the attempt was made to liquidate the system in 1907 in preparation for the "pre-emption" and "purchased homestead" legislation of the following year.

It is obvious, moreover, that mere mileage is no conclusive index of the value or relative importance of the land grant railway. The significant fact is that the pioneer railway, like the pioneer settler, had an importance out of all proportion to the statistics of railway mileage or the census returns. Railway construction, like settlement, was cumulative. Subsequent stages of both have been, by comparison, rapid and uneventful. In the end the Dominion was to suffer from too many railways rather than too few. The same inertia which made it hard to start made it hard to stop. But the pioneer, though speedily outnumbered, could never be forgotten; and the land grant railway was essentially the railway of the pioneer.

The total mileage and acreage of the land grant railways and the distribution of their land subsidies by provinces will be found in the accompanying tables compiled from exhibits prepared for the Saskatchewan and Alberta Resources Commissions. The chief characteristics of the system which have been traced piecemeal in preceding chapters are still more distinctly traceable in the cumulative results. It was the frontier which paid: and the remoter the frontier, either in time or place, the heavier was apt to be the price.

For more than 650 miles of Ontario mileage for the main line of

<sup>1</sup> See Vol. I of this series, p. 55.

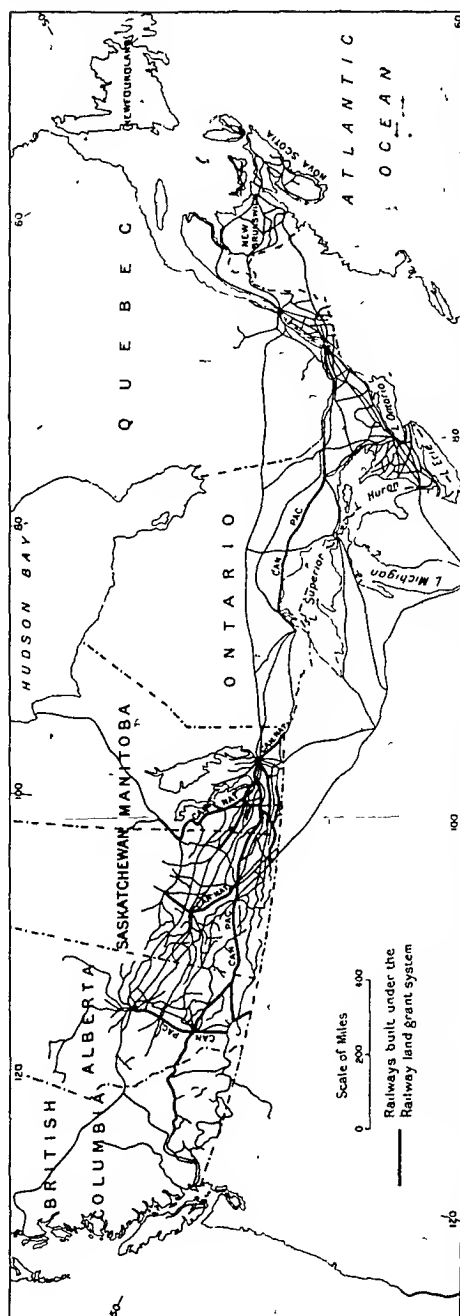


FIG. 20—Map showing railways built under the railway land grant system. From manuscript map prepared by Mr. Clifford of the Department of the Interior.



the C.P.R., not a single acre of land subsidy came from the Province of Ontario. For a total of 1,287 miles of land grant railways in Manitoba scarcely more than 3,500,000 acres of land subsidy were finally patented in that province—an average of less than 2,760 acres per mile. Alberta secured a railway mileage of a little more than 805 miles from the land grant system but contributed more than 13,000,000 acres to the land subsidies—more than 16,000

TABLE IV—LAND GRANT RAILWAYS (*continued on p. 303*)  
MILEAGE, LAND SUBSIDIES (IN ACRES), EARNED AND PATENTED, BY PROVINCES

RAILWAY COMPANY	MANITOBA		
	(Mileage)	LAND SUBSIDY (Earned) (Patented)	
CANADIAN PACIFIC—			
Main Line.....	207.93	.....	2,183,084.86
Souris Branch....	104.53	899,392	15,513.32
Pipestone Extension.....	31.30	200,320	.....
Calgary & Edmonton .....	.....	.....	.....
Alberta R. & I. Co. ....	.....	.....	.....
Man. & S. Col. ....	218.25	1,396,800	530,137.58
Man. & N.-W.....	182.00	1,164,800	424,131.83
Sask. & Western .....	15.45	98,880	.....
G. N. W. Central.....	50.00	320,000	5,736.74
CANADIAN NORTHERN—			
Winnipeg G. N. } .....	335.65	2,399,040	356,327.27
Lake Man R. & C. }			
Man. & S. E.....	106.30	680,320	36,610.53
Qu'A. L. L. & SASK. ....	.....	.....	.....
TOTALS. ....	1,287.41	.....	3,551,542.13

acres per mile. Saskatchewan, though not the remotest geographical frontier, was in several physiographical respects the last in point of time. That province contributed more than 17,000 acres of agricultural land "fairly fit for settlement" for every mile of land grant railway built within its boundaries—a total acreage of more than 15,190,000 acres for a little more than 885 miles of railway. With a little less than 24.4 per cent. of land grant railway mileage Saskatchewan contributed nearly half the acreage of the whole federal railway land grant system.

Not one of the land grant railways failed to select land subsidies in Saskatchewan. No fewer than seven of these had no mileage whatever in that province—the Pipestone Extension of the C.P.R., the Calgary and Edmonton, the Alberta Railway and Irrigation

Company, the Manitoba and Southwestern Colonization Railway, the Saskatchewan and Western, the Great North-West Central, and the Manitoba and South Eastern. More than 1,820,000 acres of land subsidies "earned" by these railways exclusively in other provinces were finally selected in Saskatchewan. Three other lines with but a fraction of their mileage in that province selected there the bulk of their land subsidies. The Souris Branch of the C.P.R., with a little over 43 per cent. of its mileage in Saskatchewan located nearly 99 per cent. of its land subsidy in that province.

SASKATCHEWAN			ALBERTA				
(Mileage)	LAND SUBSIDY (Earned) (Patented)		(Mil'ge)	LAND SUBSIDY' (Earned) (Patented)		TOTAL (Mileage)	TOTAL (Acreage) (Patented)
419.04	.....	6,216,784.795	335.91	.....	9,805,446.53	1,230.76*	18,206,628.605†
79.58	509,312	1,393,030.68	.....	.....	160.00	184.11	1,408,704.00
.....	.....	199,799.00	.....	.....	521.00	31.30	200,320.00
.....	.....	13,496.46	295.07	1,888,448	1,806,574.89	295.07	1,820,071.35
.....	.....	5,494,057.2	174.12	1,114,368	1,096,217.9428	174.12	1,101,712.00
.....	.....	546,981.44	.....	.....	319,680.98	218.25	1,396,800.00
52.59	336,576	1,077,244.17	.....	.....	.....	234.59	1,501,376.00
.....	.....	98,880.00	.....	.....	.....	15.45	98,880.00
.....	.....	313,623.26	.....	.....	640.00	50.00	320,000.00
79.96	1,023,488	3,060,017.098	.....	.....	6,018.99	415.61	3,422,363.358
.....	.....	643,664.95	.....	.....	312.03	106.30	680,587.51
253.96	1,625,344	1,624,153.57	.....	.....	.....	253.96	1,624,153.57
885.13	.....	15,193,169.48	805.10	.....	13,035,572.3628	3,209.52*	31,781,596.393†

\* Of this, 267.88 miles were in B.C.

† Of this, 1,312.42 acres were in B.C.

The Manitoba and North-Western with a little more than 22.4 per cent. of its mileage in Saskatchewan selected more than 71.7 per cent. of its land grant acreage there. The Canadian Northern built less than 19.25 per cent. of its mileage, and located more than 89.4 per cent. of its land subsidy, in Saskatchewan. Even Manitoba which regarded itself for nearly two generations as a characteristic "frontier" community exploited by the economic interests of eastern Canada, contrived, as we have seen, to expedite the building of the Manitoba and North-Western by foreclosing on land grant securities which were located and administered and sold by Manitoba in the Province of Saskatchewan.

Much of this vicarious "indemnity selection" for land grant

acreage might have been forestalled had it been possible to restrict railway land subsidies, as in the United States, to the regions contiguous to the railways, or to avoid the feature which was more directly responsible than any other for the anomalies of the Canadian system—the stipulation that railway land grant acreage must be “fairly fit for settlement”. The conditions which made necessary the Canadian practice have already been outlined. To locate a land grant of 25,000,000 acres for the main line of the C.P.R. “from Winnipeg to Jasper House” on any systematic plan of odd-numbered sections contiguous to the railway would have required a railway belt not of 48 but of 75 miles. The very range of “indemnity selection” opened the door to some plausible stipulation with regard to quality; and this in turn precipitated the unseemly scramble for desirable reserves which resulted in railway land grants “fairly fit for settlement” in almost every eligible area of Western Canada.

The net result could scarcely have been foreseen at that time, or indeed until the technique of dry farming had been scientifically developed in the Prairie Provinces. As a result of the railway land grant system the odd-numbered sections of the most eligible agricultural areas of Western Canada had been reserved from the operation of the free-homestead system, and had been made available for purchase by homesteaders on contiguous quarter sections throughout the fertile belt. It was a remarkable circumstance that practically every enterprising homesteader in Western Canada, after establishing himself upon his own quarter section of free land, had a reasonably assured prospect of buying an adjoining quarter section, and of developing, under the most approved technique of western agriculture, the most effective unit of farm production.

Much of course depended upon the price; and still more, perhaps, upon wide variations in soil and rainfall. In addition to the 31,780,000 acres of railway lands in odd-numbered sections there were more than 6,630,000 acres of Hudson's Bay lands for sale in sections 8 and 26 throughout the fertile belt. School lands, also, in sections 11 and 29 in every township, played a distinctive part, as we shall see, in the same process, with an estimated area of about 9,350,000 acres.<sup>2</sup> There were more than 47,750,000 acres, therefore, for sale in Western Canada, in evenly distributed sections contiguous in every instance (except in the irrigation block) to a free homestead.

<sup>2</sup> *Report of Department of Interior, 1930* (Ottawa: King's Printer), p. 26.

While Hudson's Bay lands and school lands account for nearly 16,000,000 acres of this area, railway lands provided at once the largest and the cheapest acreage for agricultural enterprise and expansion. Much of the railway land grant acreage was undoubtedly disposed of, like Hudson's Bay lands and school lands, primarily for purposes of revenue. Many of the colonization railways turned their land grants over to land companies whose sales policies had as little perhaps to do with the parent railways as with their rivals in the field of transportation. There were conspicuous exceptions, however; and it is doubtful if any category of Dominion Lands has contributed more than the land grants of the C.P.R. to the interests of permanent and prosperous settlement in Western Canada.

## 2. Sales and Prices

Next to the construction of the C.P.R. and branch line "colonization railways" during the land grant period, the ultimate test of the system was the use that was made of more than 31,780,000 acres of Dominion Lands by the railways which received them as land subsidies.

The stages beyond the intermediate alienation of Dominion Lands to the railways lie technically beyond the scope of this brief survey. In reality the subsequent stages of alienation to third and fourth parties ranging from land companies to private speculators and actual settlers, are the vitally important aspects of the whole process.<sup>3</sup> Enough, at least, may be deduced from evidence already available, to permit of comparison in a later chapter with other categories of Dominion Lands.

The land sales of the land grant railways and the Hudson's Bay Company were regularly reported to the government after 1893, and the following statistics have been taken from the Report of the Department of the Interior for 1930 as revised for the Alberta and Saskatchewan Commissions of 1934-1935.<sup>4</sup>

It would be rash to draw too definite conclusions from statistics that were never intended perhaps for such an analysis. The figures for sales are for gross sales only. The revestments and cancellations from year to year—sometimes, during periods of depression, in

<sup>3</sup> The forthcoming study of C.P.R. land policies by Professor J. B. Hedges of Brown University may be relied upon to supply a detailed treatment of more than two-thirds of all federal railway land subsidies. For a very useful survey of Dominion practice in railway land grants see his *Federal Railway Land Subsidy Policy of Canada*, in *Harvard Historical Monographs*, vol. III (Harvard University Press, 1934).

<sup>4</sup> *Report of Department of Interior, 1930*, pp. 27-28.

TABLE V—STATEMENT OF LANDS SALES BY LAND GRANT RAILWAYS AND BY THE HUDSON'S BAY COMPANY

YEAR	HUDSON'S BAY COMPANY		CANADIAN PACIFIC RAILWAY COMPANY		MANITOBA SOUTH-WESTERN COLONIZATION RAILWAY COMPANY	
	Acres	Amount	Acres	Amount	Acres	Amount
		\$		\$		\$
1893.....			93,184	295,288	14,164	57,559
1894.....	7,526	48,225	43,155	131,628	6,312	280,003
1895.....	4,341	23,209	55,453	176,950	5,623	22,330
1896.....	9,299	52,410	66,624	220,360	21,254	88,568
1897.....	10,784	53,277	135,681	431,095	63,800	634,644
1898.....	62,000	310,000	242,135	757,792	106,473	363,982
1899.....	56,875	274,625	261,832	814,857	58,019	199,558
1900.....	70,196	352,631	379,091	1,152,836	133,507	437,449
1901.....	82,308	399,804	339,985	1,046,665	59,749	214,953
1902.....	269,577	1,412,332	1,362,478	4,440,500	206,411	713,365
1903.....	330,046	1,939,804	2,260,722	8,472,250	250,372	699,210
1904.....	144,857	879,910	857,474	3,516,864	29,522	113,303
1905.....	139,721	865,905	411,451	2,045,800	80,342	296,936
1906.....	236,191	1,863,375	1,012,322	6,015,060	83,418	360,889
1907*.....	69,158	742,221	851,083	4,817,682	3,051	22,645
1908.....	21,184	267,215	81,060	727,367	31,982	153,007
1909.....	25,449	288,836	29,331	383,390	10,396	84,845
1910.....	104,382	1,297,454	655,585	10,473,425	14,501	126,950
1911.....	267,038	3,747,768	715,095	10,372,661	20,313	284,859
1912.....	42,554	808,943	855,280	12,420,488	18,932	117,497
1913.....	53,581	1,128,806	447,158	6,348,352	2,768	48,639
1914.....	26,292	572,837	263,962	4,242,089	7,626	91,948
1915.....	16,400	306,550	151,262	2,496,872	489	5,508
1916.....	79,310	1,273,144	242,215	3,670,421	4,780	58,808
1917.....	254,941	4,234,244	405,764	6,612,040	12,470	165,245
1918.....	386,394	6,914,947	545,284	11,044,883	25,933	321,005
1919.....	285,561	4,978,950	602,555	10,580,669	5,289	67,214
1920.....	276,629	4,724,941	571,571	11,356,146	4,623	56,760
1921.....	178,301	3,037,369	275,636	5,898,994	1,518	20,058
1922.....	33,595	545,611	101,497	1,732,350	1,519	15,497
1923.....	24,976	366,257	83,485	1,248,968	373	5,107
1924.....	33,434	456,386	45,911	775,205	637	3,822
1925.....	84,758	1,117,618	91,295	1,602,524	1,701	13,890
1926.....	184,595	2,276,129	168,988	2,263,919	3,723	31,043
1927.....	282,670	3,414,539	249,497	2,979,958	3,695	27,043
1928.....	289,713	3,546,598	387,034	4,349,779	4,910	46,256
1929.....	289,903	3,349,574	447,594	4,902,593	8,266	61,134
1930.....	215,992	2,090,472	255,151	3,145,513	6,892	49,478
TOTALS....	4,950,531	59,962,916	16,044,880	153,964,233	1,315,353	6,361,000

\* Nine months to March 31.

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TABLE VI—STATEMENT OF LANDS SALES BY LAND GRANT RAILWAYS AND  
BY THE HUDSON'S BAY COMPANY

YEAR	QU'APPELLE, LONG LAKE AND SASKATCHEWAN RAILROAD AND STEAMBOAT COMPANY		CALGARY AND EDMONTON RAILWAY COMPANY		CANADIAN NORTHERN RAILWAY COMPANY	
	Acres	Amount	Acres	Amount	Acres	Amount
		\$		\$		\$
1893.....	1,603	.....	11,260	.....	.....	.....
1894.....	640	.....	11,035	.....	.....	.....
1895.....	2,391	.....	46,815	.....	.....	.....
1896.....	286	.....	10,553	.....	.....	.....
1897.....	2,524	.....	9,436	.....	.....	.....
1898.....	22,534	.....	15,481	.....	.....	.....
1899.....	61,030	178,517	24,738	53,335	.....	.....
1900.....	18,932	53,974	46,653	128,256	.....	.....
1901.....	22,266	74,810	116,719	352,037	.....	.....
1902.....	39,835	147,365	323,494	1,033,396	.....	.....
1903.....	843,900	1,476,900	231,800	909,600	183,736	631,503
1904.....	.....	.....	129,007	563,507	64,469	313,575
1905.....	.....	.....	109,191	512,898	231,707	1,221,469
1906.....	.....	.....	85,784	480,063	204,966	1,014,351
1907*.....	1,353	16,789	59,515	346,064	289,576	1,711,109
1908.....	5,621	68,869	8,606	75,644	196,946	1,746,504
1909.....	27,662	380,371	6,370	66,508	.....	.....
1910.....	106,000	964,600	18,323	182,926	285,428	2,783,010
1911.....	113,533	1,237,204	11,820	116,231	277,414	3,336,797
1912.....	35,213	495,116	10,853	154,424	365,926	4,216,578
1913.....	15,395	255,399	4,155	44,212	182,491	2,009,642
1914.....	1,629	21,546	19,575	460,129	182,491	2,009,642
1915.....	1,292	19,118	23,042	444,018	.....	.....
1916.....	12,246	180,361	11,689	172,033	.....	.....
1917.....	21,533	331,596	33,821	573,875	17,796	298,938
1918.....	49,723	783,062	53,335	815,628	39,546	732,351
1918.....	33,838	527,670	31,774	479,496	65,110	1,261,963
1920.....	32,095	474,895	26,953	425,656	86,305	1,685,241
1921.....	11,432	160,472	11,681	191,928	69,934	1,455,319
1922.....	1,274	22,315	3,024	51,603	14,163	263,199
1923.....	1,122	17,000	1,013	15,552	11,214	*190,112
1924.....	6,242	92,145	1,283	14,144	71,489	1,103,421
1925.....	1,925	28,571	8,499	132,504	56,981	770,680
1926.....	7,623	115,603	10,145	93,642	79,088	1,127,973
1927.....	9,985	142,968	8,658	96,799	107,511	1,586,850
1928.....	7,888	93,833	17,162	205,695	67,714	924,018
1929.....	5,393	73,201	17,628	199,975	83,507	1,189,833
1930.....	7,727	32,908	6,039	68,378	67,466	934,900
TOTALS....	1,533,685	8,467,178	1,576,929	9,460,156	3,302,974	34,518,978

\* Nine months to March 31.

## DOMINION LANDS POLICY

TABLE VII—STATEMENT OF LAND SALES BY LAND GRANT RAILWAYS AND  
BY THE HUDSON'S BAY COMPANY

YEAR	GREAT NORTH-WEST- CENTRAL RAILWAY COMPANY		TOTAL		AVERAGE PER ACRE FOR ALL COMPANIES
	Acres	Amount	Acres	Amount	
		\$		\$	\$
1893.....			120,211	352,847	2.93
1894.....			68,668	207,856	3.02
1895.....			114,623	222,489	1.94
1896.....			108,016	361,338	3.34
1897.....			222,225	1,119,016	3.23
1898.....			448,623	1,431,774	3.18
1899.....			462,494	1,520,892	3.28
1900.....			648,379	2,125,146	3.27
1901.....			621,027	2,088,269	3.36
1902.....			2,201,795	7,746,958	3.56
1903.....	128,435	522,490	4,229,011	14,651,757	3.46
1904.....	41,858	177,081	1,267,187	5,564,240	4.39
1905.....	17,593	103,564	990,005	5,046,572	5.09
1906.....	20,003	137,503	1,642,684	9,871,241	6.01
1907*.....	4,023	41,470	1,277,759	7,697,980	6.02
1908.....	1,294	13,855	346,693	3,052,461	8.80
1909.....	165	7,935	99,373	1,211,885	11.08
1910.....	571	6,863	1,184,790	15,835,228	13.36
1911.....	1,438	27,417	1,406,651	19,122,937	13.59
1912.....	632	11,373	1,329,390	18,224,419	13.70
1913.....	1,601	32,105	707,149	9,867,155	13.95
1914.....			501,575	7,398,191	14.75
1915.....	316	6,956	192,801	3,279,022	17.01
1916.....	4,646	81,182	354,886	5,435,949	15.32
1917.....	8,829	141,439	755,154	12,357,377	16.35
1918.....	16,021	275,724	1,116,236	20,887,600	18.71
1919.....	14,530	252,774	1,038,657	18,148,736	17.47
1920.....	27,981	464,586	1,026,157	19,188,225	18.69
1921.....	5,128	96,616	553,630	10,860,756	19.61
1922.....	167	2,997	155,239	2,633,572	16.96
1923.....	1,120	21,638	123,303	1,864,634	15.12
1924.....	799	14,934	159,795	2,460,057	15.39
1925.....	2,246	35,151	247,405	3,700,938	14.95
1926.....	3,660	45,907	457,822	5,954,216	13.01
1927.....	4,463	47,531	666,479	8,295,688	12.45
1928.....	9,183	93,582	783,604	9,259,761	11.82
1929.....	7,478	82,378	859,769	9,858,688	11.46
1930.....	3,813	38,966	563,080	6,360,615	11.30
TOTALS.....	327,993	2,784,017	29,052,345	275,518,485	9.46

\* Nine months to March 31.

excess of sales—do not appear in the picture. Neither acreage nor price, therefore, throws much light upon the net results for permanent settlement. For railway lands as for school lands and Hudson's Bay lands the prices for the "boom periods" are out of all proportion to the "mine run" of land prices; and the cancellations and revestments thereafter were correspondingly heavy. General price levels in the twentieth century, moreover, are scarcely comparable with the meagre proceeds of land sales during the lean years of the eighties and nineties: much of the rise in the price of land corresponded to the rise in the cost of living and of government, and is therefore not attributable to contiguous settlement or the more general controls which have determined the range and density of permanent settlement.

Certain distinctions in price, however, are traceable clearly enough to indicate distinctions in policy. School lands and Hudson's Bay lands may serve as standards of comparison. For Hudson's Bay lands, as we have seen, the average gross sales price was \$12.10 per acre—nearly 5,000,000 acres, including second sales of revestments from time to time, were disposed of at a sales price of about \$60,000,000. These sales, it must be remembered also, were from lands evenly distributed in fixed sections, numbers 8 and 26 in each township throughout the fertile belt. School lands which represented also, in sections 11 and 29 of every township, the "mine run" of the fertile belt, and were sold like the Hudson's Bay lands primarily for purposes of revenue, yielded still higher gross prices, while net proceeds were out of all proportion to every other category of Dominion Lands. Even in Manitoba the gross price averaged \$9.79 per acre. In Alberta it was \$14.40 per acre, and in Saskatchewan \$16.85 per acre.

It is a remarkable circumstance, therefore, that from 1893 to 1930, C.P.R. lands, located under the most favourable system of "indemnity selection" ever devised, and comprising no acreage whatever that was not "fairly fit for settlement", were sold at an average gross sales price of less than \$9.60 per acre. Excluding irrigation lands which averaged over \$40 per acre, the average gross sales price of C.P.R. agricultural lands was given before the Saskatchewan Commission as \$7.63 per acre—a total acreage of 23,416,221 acres at a gross sales price of \$178,625,110. Even with irrigation lands included, the average gross sales price was \$8.55 per acre, and the average net sales price, after deducting cancellations and revestments, \$7.37 per acre. It is obvious that many



considerations other than cash proceeds entered into C.P.R. policy in the use which they made of their princely land grant.

For other land grant railways the prices seem inconclusive. The Calgary and Edmonton grants which included much grazing land, sold at an average gross sales price of about \$6 per acre. The Manitoba and Southwestern Colonization lands were disposed of rapidly at low prices—after 1885 by the Land Commissioner of the C.P.R. The average gross sales price was less than \$4.85 per acre, and it is noteworthy that more than 1,000,000 acres of the total of 1,315,000 were sold during the decade from 1897 at less than \$3.70 per acre. Of the other subsidiaries of the C.P.R., the Great North-West Central lands, it would seem, were sold to best advantage—some 328,000 acres for a gross sales price of \$2,784,000, a gross average of a little less than \$8.50 per acre.

The low sales prices of the C.P.R. and its subsidiaries stand in contrast not only with Hudson's Bay and school lands, which were sold avowedly for purposes of revenue, but with the land subsidies of the Canadian Northern system and the Qu'Appelle, Long Lake and Saskatchewan line. The latter disposed of more than half its acreage in 1903—chiefly, as we have seen, to the Saskatchewan Valley Land Company—at phenomenally low prices. Nearly 850,000 acres were sold for less than \$1,500,000. The rest, however, averaged more than \$10 per acre. For the Canadian Northern land sales the gross average price was more than \$10.45 per acre, the highest average gross sales price obtained by any railway under the railway land grant system.

It is noteworthy that the average gross sales price for all railway lands and Hudson's Bay lands together was \$9.46 per acre, and that recent sales brought substantially higher prices. Before the organization of Saskatchewan and Alberta in 1906 the average never reached \$5 per acre.

A more accurate comparison may perhaps be attempted from the evidence before the Saskatchewan Commission for land sales in Saskatchewan alone for the decade and a half from 1915 to 1930 (Table VIII).

It will be noted that even for Saskatchewan lands, selected largely from the first Northern Reserve remote from the main line of the C.P.R., the Canadian Pacific systematically sold lands at prices appreciably lower than the average gross sales price obtained by the Canadian Northern. The fact that the proceeds of C.P.R. land sales over so long a range of time were systematically "ploughed

back into development" is open to the same interpretation. The land grant in C.P.R. policy was directed to functions less direct and immediate than cash proceeds and dividends.

### 3. C.P.R. Land Policies

The use to which the railways put their land subsidies can scarcely be traced within the legitimate scope of this brief survey;

TABLE VIII—RAILWAY LAND GRANT SALES IN SASKATCHEWAN, 1916-1930  
(Average prices in dollars per acre)

YEAR	CANADIAN PACIFIC RAILWAY				CANADIAN NORTHERN (dollars)
	MAIN LINE (dollars)	SOURIS BR. (dollars)	MAN. & S'N. (dollars)	G. N. W. C. (dollars)	
1916.....	15.11	16.95	12.72	16.07	16.40
1917.....	15.85	17.04	12.70	16.90	18.06
1918.....	15.72	16.37	12.37	17.25	16.73
1919.....	15.10	14.64	12.29	16.80	18.90
1920.....	17.25	17.67	13.04	17.29	20.70
1921.....	18.68	17.75	11.06	28.71	18.85
1922.....	18.05	18.78	14.61	19.25	16.67
1923.....	16.05	16.76	8.35	18.83	15.66
1924.....	13.58	17.19	7.98	16.44	14.29
1925.....	12.57	16.40	11.41	14.34	14.26
1926.....	11.00	12.19	6.78	10.17	14.70
1927.....	9.30	11.33	9.92	9.83	13.39
1928.....	8.86	9.59	7.37	10.80	14.46
1929.....	9.05	9.23	8.08	10.72	13.70
1930.....	9.48	9.89	7.56	6.41	13.12
AVERAGE ANNUAL PRICE .....	13.71	14.79	10.42	15.32	16.06

but the land grants to railways and particularly to the C.P.R., were recognized from the beginning as intermediate alienations which still concerned Dominion policy and might conceivably have a profound influence upon it. The C.P.R. inherited in its own right, at one time or another,<sup>5</sup> an area nearly twice as large as Nova Scotia, in addition to the reversion to an area more than four times the size of Prince Edward Island from its land grant subsidiaries. The chief clerk in the C.P.R. Land Department for

<sup>5</sup> Including the 6,793,000 acres surrendered in 1886 to retire indebtedness to the government, and the land grants for the Souris Branch and the Pipestone Extension.

many years<sup>6</sup> estimated the total area administered by the Company at "about thirty millions of acres". The administration of this vast principality could not fail to be a national concern of the first importance.<sup>7</sup> A brief outline of C.P.R. lands policy must be attempted here in anticipation of a comparison with other categories of Dominion Lands in a subsequent chapter.

"In one respect", writes Dr. Hedges, "the work of the Canadian Pacific was unique among land grant railways in North America. Other companies sold land; the Canadian Pacific actually colonized it."<sup>8</sup> While this is true of the irrigation tract in Alberta, it is true also that many other aspects of their land policy subserved very directly the interests of the Dominion in land settlement: and this would be true also, perhaps, on a much smaller scale, of one or two others of the land grant railways. The share of the Canadian Pacific in the settlement and development of Western Canada has passed into a tradition which the whole Dominion may be more disposed to recognize in these days of economic adversity than during the buoyant years of nation-wide prosperity. This tradition was well expounded by a veteran of the Company (Mr. Frank W. Russell) before the Saskatchewan Resources Commission: "We were a paternal institution in Western Canada. . . . We built Western Canada." The senior counsel for Saskatchewan (P. H. Gordon, K.C.) replied, "Quite right." The senior counsel for the Dominion (J. McG. Stewart, K.C.) added, "I agree with that, too." "Everybody must agree with that," remarked the witness; and one of the Commissioners (Mr. Justice Bigelow) concluded the exchange with the observation, "No argument there." It will not be necessary here to examine this tradition too critically. On the other hand there is ample evidence to explain its prevalence and to vindicate its origin in sober history.

The early years of the Company were overshadowed by the desperate necessity of financing and completing a national enterprise. Several early sales of the "main line" grant were made, under this necessity, to land companies like the Canada North-West Land Company and the Ontario and Qu'Appelle Land Company in 1882. Of the total acreage sold by 1884 (3,600,263 acres) more than 1,000,000 acres had been disposed of in this way. Within a decade the Ontario and Qu'Appelle Company found itself unable

<sup>6</sup> Mr. Frank W. Russell before the Saskatchewan Commission.

<sup>7</sup> Reference has already been made to the forthcoming study of C.P.R. land administration in detail, by Dr. Hedges.

<sup>8</sup> *Op. cit.*, p. 121.

to carry out the terms of its contract, and surrendered about 136,500 acres of its purchase back to the Canadian Pacific. Within another decade the technique of land companies had improved under the stimulus of migration from the Western States, combined with physiographical factors and world conditions of great significance for Western Canada. Under such auspices, land companies like the North-West Colonization Company of 1902 gave promise for a time of rivalling with C.P.R. lands the exploits of the Saskatchewan Valley Land Company with the land grants of the Qu'Appelle, Long Lake and Saskatchewan Railroad and Steamboat Company.

For a decade and a half, however, the policy of the C.P.R. in dealing with its own lands followed closely the practice of the St. Paul, Minneapolis and Manitoba Company in which, in finance as well as in technique, the Canadian Pacific syndicate had its origin. More important than the cash proceeds to the Company was the ability of the settler to buy land at moderate prices, to get it under cultivation without loss of time, and to produce that indispensable commodity for the prosperity of a pioneer economy—an export staple for world markets. Freight rates on wheat were more important than deferred payments on inflated land prices. The resources of the Company were directed from the outset not to the manipulation of real estate on a variable market, but to the far sounder interests of settlement and transportation.

Until 1895 the usual price of C.P.R. lands to the settler was \$2.50 per acre, with provision for the cultivation of at least half the quarter section within the period of the contract, and a rebate of \$1.25 for every acre so brought under cultivation. For many years the reaction from the “boom” sales of the early eighties almost destroyed land sales. The cancellations and revestments in 1886 amounted to 280,000 acres, “many times the acreage . . . sold that year.” It was not until 1890 that the total acreage sold (exclusive of the 6,793,014 acres surrendered at the rate of \$1.50 per acre to the Dominion in 1886) reached again the area of 3,600,000 acres in the land grant balance sheet of the Company for 1884. By 1892 some three and three-quarter million acres had been sold, but by 1896 cancellations and revestments from the Ontario and Qu'Appelle Land Company had again reduced the acreage sold by the Company almost to the dimensions of 1884—3,623,066 acres.

By 1900 a turn in the tide was visible. More than four and a quarter million acres of the Company's own lands had been sold,

and the Canadian Pacific was already beginning to absorb the subsidiary land grant railways and their lucrative land grants. In 1899 the proceeds of the Manitoba and Southwestern Colonization Railway Company land sales appeared regularly in the C.P.R. balance sheet, to be followed by those of the Great North-West Central in 1902 and those of the Manitoba and North-Western in 1903. By 1912 when the whole lands administration of the Company was reorganized under a Natural Resources Department with headquarters in Calgary, more than 13,750,000 acres of C.P.R. land grants had been disposed of in the form of agricultural lands and town sites. In 1913 the Company avowed the "policy of selling lands to settlers only." Meanwhile the attempt was being made to liquidate the inheritance from previous "land booms" in the Company's policy. "Considerable areas had been bought by Land Companies and others for speculative purposes." By 1917 "nearly all of these purchasers were in default and nothing was being done with the lands." It became a settled policy with the Directors to negotiate the cancellation of such contracts, the re-vestment of the lands in the Company, and rapid re-sale for agricultural purposes.

The price of C.P.R. lands hitherto had remained consistently low. Up to 1906 the gross sales had never averaged \$5 per acre. The gross acreage sold (with no reduction for re-vestments), the gross sales price and the average price per acre from 1893 to 1930 are given in Table IX.

The net sales after cancellations and re-vestments are not so easily computed. From an official return made by the Comptroller of the C.P.R. for the Saskatchewan Resources Commission (April 14, 1934) the gross sales and cancellations, for agricultural lands only, were given at that time as in Table X.

Deducting from this total the amount of deferred payments and adding the interest on deferred payments and miscellaneous receipts, the net proceeds of agricultural lands for the C.P.R. were given at \$143,961,248.61. Including town sites, the total proceeds, according to Dominion officials, would amount to about \$176,000,000. Against this were charged administrative expenditures as follows:

Lands.....	\$54,973,286.45
Town sites.....	6,425,642.93
Irrigation Appropriations.....	22,539,498.46
Immigration and Colonization.....	10,232,781.21
Total.....	<u>\$94,171,209.05</u>

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TABLE IX—CANADIAN PACIFIC LANDS SALES (GROSS)\*

YEAR	ACRES	AMOUNT (dollars)	AVERAGE PER ACRE
1893.....	93,184	295,288	3.17
1894.....	43,155	131,628	3.05
1895.....	55,453	176,950	3.19
1896.....	66,624	220,360	3.31
1897.....	135,681	431,095	3.18
1898.....	242,135	757,792	3.13
1899.....	261,832	814,857	3.11
1900.....	379,091	1,152,836	3.04
1901.....	339,985	1,046,665	3.07
1902.....	1,362,478	4,440,500	3.26
1903.....	2,260,722	8,472,250	3.75
1904.....	857,474	3,516,864	4.10
1905.....	411,451	2,045,800	4.97
1906.....	1,012,322	6,015,060	5.94
1907.....	851,083	4,817,682	5.66
1908.....	81,060	727,367	8.97
1909.....	29,331	383,390	13.75
1910.....	655,585	10,473,425	15.97
1911.....	715,095	10,372,661	14.44
1912.....	855,280	12,420,488	14.52
1913.....	447,158	6,348,352	14.20
1914.....	263,962	4,242,089	12.66
1915.....	151,262	2,496,872	16.51
1916.....	242,215	3,670,421	15.15
1917.....	405,764	6,612,040	16.30
1918.....	545,284	11,044,883	20.26
1919.....	602,555	10,580,669	17.56
1920.....	571,571	11,356,146	19.87
1921.....	275,636	5,898,994	21.40
1922.....	101,497	1,732,350	17.07
1923.....	83,485	1,248,968	14.91
1924.....	45,911	775,205	16.88
1925.....	91,295	1,602,524	17.55
1926.....	168,988	2,263,919	13.40
1927.....	249,497	2,979,958	11.94
1928.....	387,034	4,349,779	11.24
1929.....	447,594	4,902,593	10.95
1930.....	255,151	3,145,513	12.33
TOTAL.....	16,044,880	153,964,233	9.53

\* Report of the Department of the Interior, 1930 (Ottawa: King's Printer), p. 27. Revised, Sask. Res. Comm.

It is\*obvious, therefore, that proceeds from land sales, over a period of more than fifty years, have played a relatively small part in the financial structure of the C.P.R., and a still smaller part in the form of direct dividends. The claim of the Company in 1917 seems to have remained substantially true for the whole range of C.P.R. land policy:

With the exception of the comparatively small advantage given to the Shareholders when, in 1914, they were offered the 6% Note Certificates secured by outstanding land contracts, all the net money that came to the Company from the sale of these lands was devoted to the railway property, taking the place of that much capital and reducing the Company's annual interest charges proportionately.

TABLE X—SALES OF C.P.R. LANDS (1934)

	ACREAGE	AMOUNT (dollars)	AVERAGE PER ACRE (dollars)
Gross sales:			
Irrigable... ..	684,491	27,420,176.93	40.06
Non-irrigable... ..	23,416,221	178,625,110.35	7.63
TOTAL... ..	24,100,712	206,045,287.28	8.55
Cancellations... ..	5,520,055	69,110,061.11	12.34
NET SALES... ..	18,580,657	136,935,226.17	7.37

The distinctive features of C.P.R. land policy, however, have been not only the relatively moderate prices of their agricultural lands, but their concern, from beginning to end, for rapid and permanent and prosperous settlement. In this aspect of Canadian Pacific enterprise lies its chief interest for Dominion Lands policy.

The integration with the free-homestead system was avowed from the outset. As early as 1881 the Minister of Railways himself asserted the freedom of the Dominion "to give away every acre that remains in our possession should the public interest warrant it." Unlike the land grant railways in the United States which tended to insist upon the sale of intervening government lands at prices which should not impair the market for railway lands, the C.P.R. syndicate were quick to see the promise of a different technique. "No policy did the syndicate press more strongly upon us", added the Minister of Railways in 1881, "than that of settling the land as fast as we could. They said we should be only too glad to

plant a free settler upon every acre belonging to the Government."

This profession was made good in practice: in the interests primarily, of course, of sound railway development. In the *Report* of the Company for 1884 the homestead policy was openly advocated. The following year the prime motive, no doubt, was also openly avowed. The free-homestead system was, "the most practical and effectual method of giving a value to, and creating a market for, the Company's lands":

The Directors have devoted their attention almost entirely to promoting the settlement of the free Government lands within the railway belt and south of it to the International boundary, meanwhile making little effort to effect sales of its own lands. Until the free homesteads are pretty well taken up and occupied, there cannot be any great quantity of land sold to settlers. The free homestead lands in the railway belt and south of it, as far west as Moose Jaw, are already largely taken up, and it cannot be long before there will be a good market for the Company's lands in all that section of the country, when the great importance of the Land Grant as an asset of the Company will begin to be appreciated.

Five years later the Company decided upon "a considerable reduction in the price of the Company's lands with a view to hastening their sale and cultivation." By 1892 the policy, measured by results, was regarded as "remarkably successful; the acreage disposed of during the year was four times greater than in 1891." Success, it may be added, may have been due also to other factors, for immigration was already beginning from the United States, with a technique which was soon to leave its mark upon the settlement of Western Canada. In addition to free lands taken up in even-numbered sections reserved for homesteads, the newcomers purchased 87,680 acres from the C.P.R. The trend from the quarter section to the half section or three-quarter section farm was already beginning. The cancellations after the boom of the early eighties had "now practically ceased". By 1893 the C.P.R. land sales were settling down into a normal and expanding policy. "The Company's lands are seldom sold to new immigrants, but generally to those who have already established themselves on free homesteads, and who from their improved conditions are able to increase their holdings by the purchase of adjoining railway lands." This integration of railway lands with free homesteads, and of both with the wider interests of sound agriculture and sound transportation, was to become, as we shall see, one of the characteristic features of Dominion Lands policy.

Unfavourable seasons for agriculture were of course reflected



immediately in land sales. When grain prices were low, the "established farmer" had little money to spare and little incentive to buy new land. "Although the price of wheat in the world's market has never been so low," reported the C.P.R. directors in 1893, "the western farmers have on several occasions received no more for their wheat than at the present, for the reason that the cost of transportation has been greatly reduced in late years. . . . Generally speaking, the situation of the farmers is relatively better than it was in other bad years in the past. There is no more reason now than there ever has been to doubt the future." The Canadian Pacific in its own interests could be relied upon to sponsor the cause of western Canadian agriculture.

The phenomenal development at the turn of the century will be noted in the chapter on the free-homestead system. Land sales bounded up *pari passu* with free-homestead entries. The gross acreage sold by the C.P.R. in 1896 was 66,624 acres. In 1897 it was 135,681; in 1898 it was 242,135 acres. By 1902 it had increased to 339,985 acres. The following year it bounded up to 1,362,478 acres. Land sales were quadrupled in a single year. In 1903 sales were nearly doubled again—more than 2,260,000 acres. The sales of the two years 1902 and 1903 more than doubled the sales of the preceding ten. The singular coördination of free-homestead entries and land sales will be noted in another chapter. More accurately perhaps than the free-homestead system itself, the land sales of the C.P.R. may be said to provide at this stage a sound basic index of western Canadian development.

With the adoption in 1913 of the "policy of selling lands to settlers only", expenditures on immigration and settlement, estimated in 1917 at "approximately \$17,000,000", were still more closely integrated with the general policy of the C.P.R. In confronting the abnormal conditions after the war, the directors reviewed the functions of the Company as an agency for the settlement of Western Canada:

The Canadian Pacific for many years has been the most active colonization agency in Canada. Settlers to the number of 54,000 (families) have been placed upon its lands alone, and the cost of the Company's activities in land selling, irrigation and colonization since its incorporation has been extremely large, amounting in the aggregate to approximately \$68,000,000, an amount in excess of the total expenditure of the Dominion Government for immigration during that period.<sup>9</sup>

The relief extended, meanwhile, to purchasers of C.P.R. lands

<sup>9</sup> *Annual Report of Canadian Pacific Railway, 1922, p. 3.*

was prompt and generous. A plan was announced in 1923 for the alteration of outstanding contracts to an amortization system similar to that adopted by the Federal Loan Board in the United States. Payments were spread over a period of thirty-four years, and the same technique was applied to the sale of the Company's unsold acreage "with a view to their becoming more rapidly colonized". By 1925 it was stated as an axiom that "the sale and settlement of its unsold lands has long since ceased to be the most important part of its colonization and settlement activities, which, in recent years, have been directed to the general settlement of the unsettled portions of Canada because of the national benefit which would thereby accrue, in which your Company would largely share."

The approach of the jubilee of the Company was a fitting occasion for a more comprehensive review of the Company's policy. In 1927 the Company maintained no fewer than 68 colonization agencies in Great Britain, Europe, and the United States. Up to the end of the year 1924 it claimed the direct responsibility for the settlement in Western Canada of some 55,000 families who "occupied and cultivated 30,000,000 acres of land." As late as 1926 the Company's Department of Colonization and Development directed the movement of approximately 50,000 European immigrants to lands or agricultural employment. Since its inception the Company had spent "nearly \$75,000,000 for colonization, land settlement, irrigation or similar works—an amount exceeding that spent by the Dominion Government on like work in the same period." Up to March 31, 1926, more than 14,700,000 acres of the original "main line" land grant had been sold, and the rest of the Company's lands were for sale on a payment of 7 per cent. cash, with no interest accruing or other payment for the first year, and with the balance of the purchase price and interest amortized in thirty-four equal annual payments. "I know of no organization in any country," added the president of the Company, "which gives such terms to settlers. . . . At no time during the life of the contract is the purchaser called upon to pay more than \$200 a year on each quarter section, except in the case of the higher priced irrigated land. In the United States and other countries he would pay more than this amount in annual rental alone."

Beginning in 1910 more than 245,000 acres were developed as ready-made farms: no fewer than 823 improved farms were organized, and 432 loan and central demonstration farms, designed

to improve the agricultural technique of the whole neighbourhood. The 3,000,000 acre irrigation project of the Company in Alberta was "the largest private enterprise of its kind ever carried out." No other agency short of the government itself could perhaps have undertaken so vast an outlay for such an experiment; an expenditure of approximately \$20,000,000, with over 4,000 miles of main and secondary canals and distributing ditches.

In reviewing this record before the Saskatchewan Commission, a retired official of the Company could reaffirm, with pardonable pride, the claims of the Company during the formative stages of a frontier community. The C.P.R. was a "paternal institution in Western Canada". Even during the depression no cancellations were ever forced against *bona fide* settlers. The land policy of the Company was "not a real estate proposition at all. It was the building up for an empire in the West." Above all, the integration of the land policy of the C.P.R. with the free-homestead policy of the government was close and vital to both: "the homestead policy was the foundation on which we worked." "In the first years our efforts were more directed to the settlement of the homesteads than to the selling of our own lands." "We built Western Canada." It will not be necessary here to qualify too critically these partial and interested estimates. A detailed study of C.P.R. land policy, particularly with regard to the other subsidized land grant railway companies, would reveal less attractive features at a time when ruthless and competitive exploitation was the order of the day. Enough, however, has been adduced *ex parte* to explain at least an *ex parte* tradition. In association with the free-homestead policy and a rare conjunction of physiographical and other factors, the C.P.R. will be found to have played a part unique, perhaps, in the history of any railway, and phenomenal even by comparison with the range and influence of government policy itself, in the settlement and economic development of a frontier community.

#### 4. "Colonization Railways" and Land Companies

Nearly 12,000,000 acres of land subsidies to other railways were disposed of by every variety of transaction known to the frontier real estate operator. The functions of the typical land company and the contribution of the "colonization companies" in the development of Western Canada will be traced in another volume of this series.<sup>10</sup> Under such categories as these will fall many of the

<sup>10</sup> See the section by Professor W. A. Carrothers in Volume III.

agencies which eventually disposed of the "colonization railway" land grants. Something may be added here, however, by way of contrast to the prevailing policies of the C.P.R. A few of the "colonization railways" measured up to their opportunities in developing, if not in directly colonizing, the territories which they were supposed to open up. Many took the first short cut that presented itself, and used their land grants without compunction to bolster up their waning solvency. Several seem to have regarded the land grant from the outset as an end in itself, and turned it over to exploitation with motives and methods neither better nor worse than those of the average frontier land company. Even here indiscriminate criticism would be out of place, for more than one land company belied completely the somewhat sinister reputation of the real estate speculator, and developed with unsurpassed vigour and resourcefulness a technique which no government agency could have rivalled in the field of effective settlement. Without invidious comparisons it may be possible to distinguish these categories in greater detail.

(a) Among the companies which were forced to use their lands without compunction to safeguard their solvency, the Manitoba and Southwestern Colonization Railway and the Manitoba and North-Western may be selected as typical.

The Manitoba and Southwestern had been chartered in 1879, though the usual grant of 6,400 acres per mile was not authorized until 1885. About 900,000 acres of this prospective acreage was transferred to the Province of Manitoba as security under the Railway Aid Act in order to finance the construction and operation of the road. After the Company was leased to the C.P.R. the land grant was quickly redeemed. Obligations to the provincial government of Manitoba were discharged, in no small measure, by the vigorous policy of land sales inaugurated by the Land Commissioner of the C.P.R. About 100,000 acres of the Manitoba and Southwestern land grant were eventually located in a solid block in Alberta—an adjunct to the famous irrigation enterprise of the C.P.R. in that province.

The Manitoba and North-Western, using the same expedient to raise funds for the construction and operation of the line, was not so fortunate in redeeming the land security to the Manitoba government. Land warrants for about 542,560 acres devolved upon the province, and more than a quarter of a million acres, as we have seen, were selected and administered and sold by Manitoba

in the Province of Saskatchewan. The policy of the Manitoba and North-Western in applying the land grant immediately to the financing of the railway was aided by the practice of the Department of the Interior in endorsing land warrants applicable to the Manitoba and North-Western reserves. These warrants, as we have seen, were negotiated broadcast to land speculator, land company, and settler alike. Some of them were located as far afield as Carrot River in Saskatchewan. With the acreage disposed of to the Province of Manitoba, this policy absorbed piecemeal the land grant of the Manitoba and North-Western until the residue devolved upon the C.P.R. and passed automatically into their administration.

The Province of Manitoba also acquired the right to about 256,000 acres from the land grant of the old Winnipeg and Hudson's Bay Railway by a similar process: a debenture issue at the rate of \$1 an acre under the Railway Aid Act. After this company was merged by Mackenzie and Mann into their Canadian Northern system, the security lands were sold back to them (1904) for \$400,000—a profit of \$144,000 to the province.

From 1900 to 1930 more than 465,000 acres of railway security lands acquired under the Railway Aid Act were sold by the Province of Manitoba for about \$2,200,000. Much of this was disposed of in the open market, at the best prices available. The deputy minister<sup>11</sup> estimated that about forty per cent. was sold to actual settlers while "sixty per cent. of our lands were purchased by speculators." The speculator and the land company nevertheless discharged a very useful function: they spent money "in many directions for the purpose of bringing in purchasers, chiefly settlers."

(b) Several of the "colonization railway companies" were in reality land companies as well as railway companies, and their stockholders appear to have attached almost as much importance to the one as to the other in their effort to maintain their solvency. The Calgary and Edmonton line and the Qu'Appelle, Long Lake, and Saskatchewan both owed their general policy to the same financial interests; while the whole land policy of the Canadian Northern system was so resourceful and acquisitive that the gross average price per acre was the highest obtained under the railway land grant system. The Qu'Appelle, Long Lake, and Saskatchewan line and the Canadian Northern subsidiaries had one other ingredient in common. Their largest sales were made to land companies

<sup>11</sup> Mr. Louis J. Howe, before the Saskatchewan Resources Commission.

whose fabulous success became one of the landmarks of western Canadian development. The story of the Saskatchewan Valley Land Company will appear in another volume. It will be sufficient here to illustrate their technique in relation to the interlocking functions of the free homestead and the railway land grant system.

The Calgary and Edmonton which was originally projected from the Peace River district to the international boundary had at least one virtue as a "colonization railway": its acreage was selected almost exclusively from the province which it was supposed to serve, and the bulk of it "within 22 miles of the line of railway on each side thereof". Its function as a subsidiary of the C.P.R. was authorized by statute (53 Vict., c.5) from the outset, and it was built with almost phenomenal regularity and despatch within the space of sixteen months from the date of the land grant. Much of this, no doubt, was due to its association with the C.P.R., and the completion of the line was financed by an issue of C.P.R. debenture stock. There can be no doubt, moreover, that financial support in Great Britain was attracted very largely by the prospects of the land grant. It was the shrewd administration of the C. and E., as we have seen, that defeated the reservation of mines and mineral rights in the crown patents issued by the Department of the Interior. The C.P.R. was a beneficiary of the same "leading case" in respect of its Souris Branch and Pipestone Extension land grants. In truth, it is not easy to surmise where the resourceful counsel of E. B. Osler began and where it was supposed to end. The C. and E. lands were administered by a subsidiary of the railway company—the Calgary and Edmonton Land Company, with the firm of Osler, Hammond, and Nanton as their accredited agents. The gross average price per acre was not conspicuously high—about \$6 per acre—but the district was so largely semi-arid that provision had to be made by Order-in-Council<sup>12</sup> for the location of much of the C. and E. land grant in "alternate townships" in order to conform to the prevailing ranching interests of the district. Grazing leases over this area were terminated by the government in an accommodation between the ranchers and the railway, by which the railway land grant was disposed of to the former leaseholders at prices ranging from \$1 to \$1.50 per acre. The Bar U and Cochrane ranches, and several others equally prosperous in the same district, thus solved one of the perennial problems of the

<sup>12</sup> No. 1655, June 27, 1890.

rancher, and secured permanency of tenure for a very stable and profitable enterprise.

The Qu'Appelle, Long Lake and Saskatchewan line, though directed by the same financial interests and operated, in fact, during the most critical years of its existence, by the C.P.R., was not so successful in its contest with the Department for eligible reserves. Like the C. and E., it had owed much of its financial support in Great Britain to the promise of its land resources. Like the C. and E., too, it located its land grant in the province, and indeed in the district, which it was supposed to serve. What the result of its suit in the Exchequer Court would have been had it gone to the Privy Council can only be surmised. Incorporated as early as 1883, and endowed with its first statutory land grant two years later, the Company belonged to an earlier generation, so to speak, than the C. and E., and its experience was no doubt useful to its junior associate.

The most distinctive feature of the Qu'Appelle, Long Lake and Saskatchewan land grant, perhaps, was its association with the Saskatchewan Valley Land Company. The wrangle over eligible land reserves had reached its acutest stage, with little prospect of a satisfactory settlement by the suit in the Exchequer Court, when the land company appeared upon the scene and turned what was supposed to be a semi-arid desert, shunned by settler and speculator alike, into one of the most productive districts in Western Canada.

It must be conceded that the railway company had tradition and physiography, as it seemed, upon their side in their contest with the Department. Out of a total land grant of a little more than 1,625,000 acres, the Company had accepted 128,000 acres, and about 500,000 acres had been retained as "security lands" for the performance of the usual mail and transportation contracts with the government. The contest turned upon the location of the remaining million acres, or less; and the Qu'Appelle, Long Lake and Saskatchewan Land Company of London, England—a subsidiary of the railway in administering the land grant—was prepared at one stage to accept a cash settlement of \$1.50 per acre from the government for the surrender of its claims.<sup>13</sup>

Settlement meanwhile had been flowing into the Regina plains for thirty miles beyond the city, but for sixty or sixty-five miles beyond that point there were "only three homestead entries in

<sup>13</sup> The Solicitor for the Company offered orally to accept \$1.25 per acre.

good standing." There was "not a railway station or any sign of population in the whole sixty-five miles." The whole district was becoming a "by-word throughout the whole section", and settlers invariably "crossed this desert, went through it by the thousand", to more eligible lands at Rosthern, Duck Lake and beyond. Even after the Saskatchewan Valley Land Company began operations the railway refused to "put a station in that tract unless the colonization company paid the salary of the agent."

The organization and success of the Saskatchewan Valley Land Company reads like a tale in the *Arabian Nights*. Colonel A. D. Davidson and a group of shareholders—most of them Canadians or with Canadian background, but with invaluable experience in the United States—agreed to purchase about 840,000 acres of the Qu'Appelle, Long Lake, and Saskatchewan land grant at \$1.53 per acre. The land company also purchased the entire land grant of the Saskatchewan and Western Railway—98,880 acres. These, like all normal railway land grants, were odd-numbered sections "fairly fit for settlement". In addition the Department of the Interior agreed to sell at \$1 per acre 250,000 acres of even-numbered sections, normally reserved for homesteads. The chief conditions were intended to safeguard the normal free-homestead policy of the government. Twenty settlers were to be placed on the government's free-homestead lands in each township, and twelve on the lands of the Saskatchewan Valley Land Company "before they shall be entitled to the remaining even-numbered sections" by purchase from the government. These conditions were scrupulously met—the only instance, an official once remarked sardonically, in which a government contract with a land company was scrupulously carried out to the letter.

The technique of the Saskatchewan Valley Land Company was a marvel of energy and enterprise. More than 30,000 copies of the *Minneapolis Journal* with two pages of carefully prepared propaganda were distributed broadcast during the state exhibition in September, 1902. During the following months more than 300 American newspapers carried in one form or another the advantages of Saskatchewan lands for American farmers with experience in dry farming and a knowledge of wheat and flax. Most significant of all, perhaps, was the appearance, among the major shareholders, of established industrialists who proposed to utilize the wheat and oats and linseed oil from the new enterprise at cost prices which could not be rivalled in the United States. The Company ran



excursions of pullman cars "loaded with people from the western states", senators and newspaper men as well as prospective settlers, "to show them what that country was like." Hotels were built in the district where the Company "boarded everybody who came along free for the first year." Livery stables were placed at the service of guests free of charge, and tens of thousands of acres were sold literally from the seat of the "democrat" or buck-board, driven by skilled agents who were dealing with men who had already "had experience in working that kind of land".

Several blocks from five to ten thousand acres were sold to speculators in the United States: the Minister of the Interior afterwards demonstrated the shortsightedness of criticizing these "moneyed men in the United States" who interested themselves in sending experienced farmers into Canada. "I make the statement advisedly," he added, "the coming in of this company was the beginning of the great success of the immigration work in the west." It would be fair to add that the exploits of the Saskatchewan Valley Land Company synchronized with a long train of government policy; and also, it must be emphasized, with certain physiographical and economic factors in Canada and the United States which formed a veritable tide in the affairs of land settlement in Western Canada. It was wisely taken at its flood by the Saskatchewan Valley Land Company, and it is no secret that it led on to fortune. "I can recall no feature of our colonization policy in the Northwest," stated Clifford Sifton in one of his last speeches as Minister of the Interior in 1904, "which has been attended with greater success than the efforts of this company."<sup>14</sup> In defending his record in the House of Commons two years later, after leaving office, he confirmed this estimate in a valedictory survey which still ranks among the great speeches of the Canadian House of Commons. "In going over this tract a year ago," he said, "I saw . . . villages, elevators, stores, hotels, and the largest wheat field I ever saw in my life . . . I shall be content, when the history of this country shall be written, to have the history of the last eight or nine years, as far as western administration is concerned, entered opposite my name."<sup>15</sup>

The success of the Saskatchewan Valley Land Company was repeated on a less spectacular scale after 1903 under the name of the Saskatchewan Valley and Manitoba Land Company for the

<sup>14</sup> *Debates of the House of Commons, Canada, 1904*, p. 7042.

<sup>15</sup> *Ibid.*, 1906, pp. 4299, 4325.

land grants of the Canadian Northern system. By this time Mackenzie and Mann, after their success as contractors and builders of railways for other companies, were fairly launched upon the project of a new transcontinental of their own. Obsessed with the problems of railway construction and transportation, the Canadian Northern in 1903 turned the cumulative land grants from the constituent companies of the system over to the experts of the Saskatchewan Valley and Manitoba Land Company for administration and sale. The relatively high average price for Canadian Northern lands may thus have been due not only to the shrewdness of the Company in the final selection of their lands but to the skill of the Saskatchewan Valley and Manitoba Land Company in disposing of them. The firm of Davidson and McRae continued to administer the lands of the Canadian Northern system until 1917.

Smaller land companies imitated the technique and in many instances, on a smaller scale, rivalled the success of the Saskatchewan Valley enterprise. Firms like Biceter, Davidson, and Martin, and the Luceland Land Company, were soon employing similar methods with C.P.R. lands. Agents in the central states collected prospective settlers "in groups, and brought them up on private cars, and then at the point of destination in Canada, in Saskatchewan, they had their own fleet of livery rigs, and conducted their parties over the land that they had viewed and the sales were made immediately there. . . . There was good work done by the local government agents throughout the States, but it wasn't as effective." There was neither the close contact, nor the organization to "bring the people here and locate them by view, and consequently the real movement of settlement from the States into Canada occurred through that contact by these American land companies."<sup>16</sup> Once the tide was running it was easy to move with the current. The conjunction of so many favourable factors brought some of the wealthiest and most resourceful of pioneers into Western Canada during these eventful years. There was a sound of going in the tops of the mulberry trees. Within a decade and a half two new provinces were created, and the characteristic features of Western Canada were fairly established.

One of the officials of the Department of the Interior who took the Barr Colonists to Lloydminster, then over two hundred miles

<sup>16</sup> Evidence of Mr. W. J. Gerow, Assistant Superintendent of Lands for many years for the C.P.R., before the Saskatchewan Resources Commission.

from the railway, afterwards described the queues of prospective settlers at the land offices. "Men have held their place in the line day and night for two or three weeks to enable them to file on certain lands. I also believe that substantial sums of money were paid for places in the line."<sup>17</sup> Another witness before the Saskatchewan Commission<sup>18</sup> recalled the days of the Saskatchewan Valley Land Company. He had helped to locate no fewer than 3,000 homesteaders by "team and democrat", in many instances 180 miles from the railway. It was estimated that "ninety per cent. of the Americans that came in bought land", and about half the Canadians that came in did likewise. One settler bought two whole sections of land eighty miles from the railway, for cash at the rate of \$8.50 per acre for one section and \$9.75 for the other. The less reputable land companies exploited every facility of the free-homestead system to expedite their sales. The practice of "blanketing" the adjoining homesteads by fictitious entries filed by power of attorney, enabled the land company to hold the free lands vacant until there was a prospect of selling their own lands to advantage. "They sold the piece of land . . . to somebody they brought into the district, and they said 'now we have got this quarter blanketed. All we have got to do is cancel it and you will get it.' " The prospective purchaser thus got a half section at an average of half the price per acre quoted by the land company for their own quarter section. The adroit practice of "blanketing" was not resorted to by the railways or "the better class of the big companies"; but the combination of free land and bought land for the sub-humid areas adapted to the technique of dry farming was characteristic of the most successful era of land settlement in Western Canada. Whether it was in effect a "free-homestead policy" or a "sales policy" made doubly lucrative by a bonus of free homesteads, must be left for discussion in another chapter.

(c) One at least of the "colonization railway companies" has a record which compares on a smaller scale with the C.P.R. itself in the versatility and resourcefulness which marked the development of its land grant in the interests of the whole community. The Alberta Railway and Irrigation Company, as we have seen, was a combination of a variety of companies interested not only in railway transportation but in coal, timber, navigation, ranching, and irrigation in southern Alberta. Beginning, under the name of the

<sup>17</sup> Mr. Wm. Richard Ridington, afterwards Sheriff of Battleford, before the Saskatchewan Commission

<sup>18</sup> Mr. Angus McMillan.

Northwestern Coal and Navigation Company, with contracts for 20,000 tons of coal per annum to the C.P.R., the A.R. and I. continued, under the various metamorphoses through which it passed, an association with that company until its land grant was largely absorbed into the C.P.R. irrigation experiment in Alberta.

As early as 1885 the Northwestern Coal and Navigation Company had applied for 100,000 acres of its land grant in alternate townships in order to develop the growing ranching interests of its territory. In 1895 another branch of the Company, the Alberta Railway and Coal Company, consolidated nearly a quarter of a million acres of its land grants into a compact block for an irrigation project on the St. Mary's River. Two years later a Mormon migration brought wealth and invaluable experience to the Canadian enterprise. Five years later again, in 1902, an additional tract of half a million acres was obtained for the same purpose from the government at a net cost of \$1 per acre. There was much in the policy of the A.R. and I. at this time to suggest the technique so successfully followed a few months later by the Saskatchewan Valley Land Company in the neighbouring province. The half-million-acre tract was finally amalgamated with the irrigation block of the C.P.R.—an additional phase of the association with that company forecast by statute as early as 1893 (56 Vict., c.38). The conditions under which the A.R. and I. had to operate—the variety of resources and the unusual range of climatic conditions involved—made this enterprise almost unique in Western Canada; and it would be hard to find more ingenuity and resourcefulness applied so discerningly to frontier conditions.

### 5. *The End of the Railway Land Grant System*

The last of the statutory railway land grants were made to the Pipestone Extension of the C.P.R. and the Saskatchewan and Western Railway on July 23, 1894 (57-58 Vict., c.6). The Liberal government which took office in 1896 not only discontinued the practice but publicly disavowed the policy of land subsidies in aid of railway construction. "It is not a part of the policy of this government," stated the Minister of the Interior in 1907, "to give land grants to railways."

There was one reason, perhaps, more important than "policy" for terminating land subsidies and for liquidating outstanding land grants already authorized to the railways. There would soon be no more land grants to give. The government, asserted Clifford

Sifton in 1906,<sup>19</sup> had "never stopped giving land grants . . . until the land ran out." The ruthless scramble for eligible land reserves was in itself a sign that the supply of odd-numbered sections of lands "fairly fit for settlement" was nearing depletion, while vast areas already "earned" or in process of being "earned" by railway construction still remained to be located. The last general revision of the Dominion Lands Act, moreover, had been made in 1886. The time had come not only for a general revision of the statutes but for the release of the odd-numbered sections which still remained unappropriated in the "great reservations made . . . for land grants to railways."

Many defective features of the system were liquidated or improved by steady administrative pressure from the Department of the Interior. Of all the land grants to railways "only 1,825,423 acres had been patented" up to 1896—an expedient for "evading taxation" which western Canadian municipalities have never ceased to number among their political grievances. Within the next decade 22,478,013 acres had been patented, and the C.P.R. grants had practically all been selected. Both the major railway systems as well as all their subsidiaries among the "colonization railways" were notified that the time had come to liquidate land subsidies by the selection of all outstanding land grants "earned" by actual construction. A bill for the consolidation of Dominion Lands legislation was introduced during the session of 1906-1907 and eventually passed after exhaustive criticism and discussion the following session (7-8 Edw. VII, c.20). The accompanying map (Fig. 21) compiled from the office copy of the Department of the Interior will indicate the range and extent of railway land grants located up to 1909. In Western Canada the railways have had more land to administer since 1880 than all three governments of the Maritime Provinces combined: and it was all "fairly fit for settlement". Such, in terms of public lands, was the price paid for pioneer railways for the Canadian frontier. But at any rate, in Canada as in the United States in their hour of emergency, the railways had been built; and even when the new administration disavowed the policy, there were features which they did not hesitate to commend, and which they lost no time, as we shall see, in continuing in another form in the new Dominion Lands Act of 1908:

We believe that the fact that the settler coming from the United States and from Eastern Canada has been able to homestead a quarter-section free and to purchase

<sup>19</sup> *Debates of the House of Commons, Canada, 1906*, p. 4314.

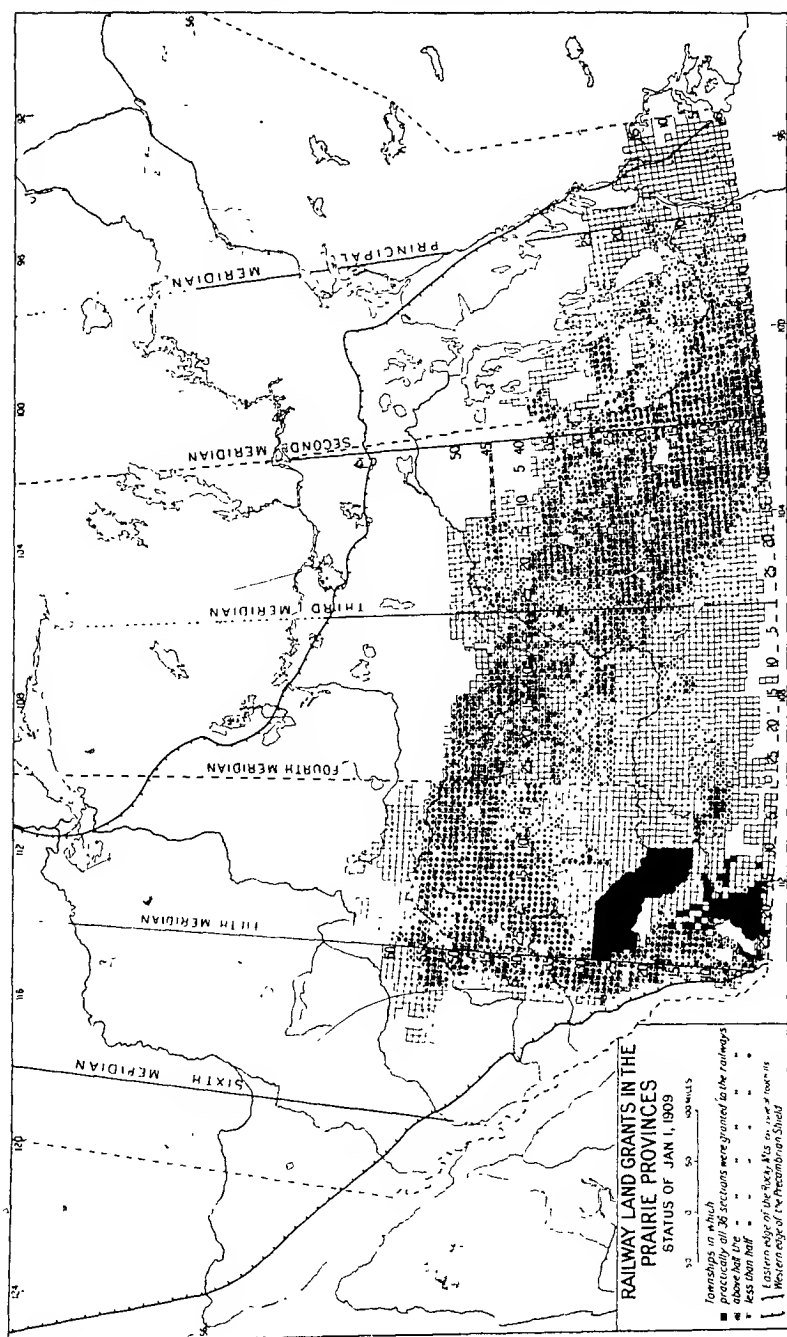


FIG. 21.—Map showing railway land grants finally "selected" by the C.P.R. and "colonization railways" in the Prairie Provinces. Prepared from manuscript map in the Department of the Interior at the liquidation of the railway land grant system in 1908

an adjoining quarter-section from the railway company on the odd-numbered section, has been a very great inducement to the settlement of our country so far as it has gone. The belief there is that 160 acres may be a good farm but that 320 acres is a very much better farm, and the fact that a 320 acre farm could be acquired at a reasonable price by locating a homestead on an even-numbered section and purchasing from the railway on the odd-numbered section we believe has been a very great incentive to the settlement of our country by the best class of people, that is people with means and ability to carry on farming operations on a considerable scale.<sup>20</sup>

The assurance that the enterprising settler could buy, at once or in good time for himself or for one of his sons, a quarter section adjoining his free homestead was an invaluable coincidence in the settlement of Dominion Lands; and it became a necessity in the sub-humid areas where dry farming was a relatively new art.

There was one more railway in 1908, however, upon which the West had set its mind. The first historic access to the prairies for fur trade and settlement alike, and one of the first enterprises of the age of railway projection, had been the Hudson Bay route. The continued reservation of odd-numbered sections for sale, not by a railway, but by the government, and the construction of a Hudson Bay railway as a public enterprise, now became integral features of the new Dominion Lands Act of 1908. The belief that one would pay for the other brings the "pre-emption" and "purchased homestead" policy of the Hon. Frank Oliver into strange alignment with the railway land grant policy of the eighties. The fact that it so far succeeded is one of the most curious vestigial survivals of the original project of building railways by means of the land through which they had to pass.

The first of all the "colonization railways" to transmute the right to purchase lands from the government at \$1 per acre into a free grant of 6,400 acres per mile of railway constructed had been the project for a railway to Hudson Bay—the Winnipeg and Hudson's Bay Railway and Steamship Company (47 Vict., c.25, April 19, 1884). Embodied in the Act was an express stipulation against future amalgamation with the C.P.R. The Act authorized a land subsidy of 6,400 acres per mile within Manitoba and 12,800 acres beyond the boundaries of the province. At the time of the revision of the Dominion Lands Act in 1886, actual construction on the Hudson Bay railway had yet to begin. With the rise of the Canadian Northern system after 1899, the projected line of the old Winnipeg and Hudson's Bay Railway and Steamship Company

<sup>20</sup> Hon. Frank Oliver in introducing the new Dominion Lands Bill, 1906-07.

was merged with the more spectacular project of Mackenzie and Mann for a second transcontinental. By 1908 some 290.86 miles had been built, 171.7 miles within the Province of Manitoba "earning" 6,400 acres per mile, or nearly 1,100,000 acres, and the remainder to the Pas on the Saskatchewan "earning" 12,800 acres per mile or about 1,525,000 acres of the Canadian Northern land grant. Had the line been completed from the Pas to Fort Churchill, a distance of a little more than 500 miles, under the existing statutes, it was estimated that further land grants of about 6,500,000 acres would become necessary.

It was agreed that "the time had come, or approximately come when the great reservations . . . by which provision was made for land grants to railways . . . might be released." The land grant to the Hudson Bay Railway, however, still stood upon the statute books: there was, "as it were, a mortgage standing against the lands of the Northwest in respect to aid to a railway to Hudson Bay." Hon. Frank Oliver proposed to substitute for the railway land grant a project designed to retain at least two virtues of the system. A homesteader would still be able to purchase an adjoining quarter section, and the Hudson Bay Railway was to be financed from the proceeds. In the Dominion Lands Act of 1908 it was provided that the odd-numbered sections were to be offered for sale, in the form of "pre-emptions" or "purchased homesteads", at \$3 per acre, in those areas in which "the railway companies had not seen fit to select the odd-numbered sections as their land grants." It was estimated that some 28,000,000 acres would be subject to the provisions of the Act, chiefly "the more central southerly prairie area extending from Moose Jaw on the east to near Calgary on the west, and from the international boundary line on the south to somewhere near the latitude of Battleford on the north."<sup>21</sup> Other aspects of the "pre-emption" and "purchased homestead" policy may be discussed more appropriately in relation to free homesteads; but Oliver estimated that the sale of 5,000,000 acres at \$3 per acre would build the necessary 500 miles of railway to Hudson Bay—at the rate of \$30,000 per mile. "The early construction of the railway" was at last a possibility, while "the burden upon the general treasury of the country will not be thereby increased to the amount of one cent."<sup>22</sup>

<sup>21</sup> For the boundaries of the "pre-emption" and "purchased homestead" tract see below, p. 421, Fig. 26.

<sup>22</sup> *Debates of the House of Commons, Ottawa, 1908, 11126 ff.*



Reminiscent of Macdonald's prophecy in 1882 that "not a farthing of money will have to be paid by the people of Canada" for the C.P.R., Oliver's scheme proved nevertheless the most direct approach, perhaps, to that utopian project in the history of Canadian railways. By 1910 over \$1,250,000 had come into the treasury from the sale of "pre-emptions" and "purchased homesteads", and no less than \$21,992,174 by 1929 when the line was at last completed, after vicissitudes in which both route and policy had to run the gauntlet of political controversy. The railway, to be sure, was not built "by means of the land through which it had to pass": the abandonment of costly terminals at Port Nelson, the belated change of route to Fort Churchill, costly delays during the war, and many other vicissitudes, both economic and political, made the completion of the road at all almost a miracle. To the extent of nearly \$22,000,000, however, the Dominion treasury benefited from the sale of odd-numbered sections of public lands with a far narrower range of reservation than that accorded to the C.P.R. and other railways for "indemnity selection" under the Canadian railway land grant system. To that extent, at any rate, the Hudson Bay Railway had been built "by means of the land through which it had to pass", and thus the belated posthumous heir of the system was the only one which seems to have vindicated the original good name of the family.

## CHAPTER VI

### SCHOOL LANDS

#### *1. Dominion Policy at its Best*

**N**O PHASE of Dominion Lands policy has commanded wider admiration than the provision in the Dominion Lands Act of 1872 for setting aside sections 11 and 29 in each township (see Fig. 8) as an endowment for public schools. Here as in the railway land grant system and many other aspects of Dominion Lands the influence of the United States is clearly discernible. But there have been marked differences; and the policy which served so useful a purpose for so many years under federal auspices and still survives under provincial administration is in many important respects distinctively Canadian.

The practice in the United States was necessarily open to wide variations from time to time. The area varied from a single section (number 16, as nearly as possible at the centre of the township) in the original ordinance of 1785 to two sections (16 and 36) after 1848, and in exceptional cases (Arizona, New Mexico and Utah) four sections. A wide variety of pre-emption laws proved necessary to provide for squatters on school lands; and other grants in the form of "swamp lands", university lands, saline lands, "five and three per cent. grants" from the proceeds of the public domain, have been made from time to time to the cause of education in the public land states. In the United States, however, the administration has been turned over uniformly to the several states; and despite the most careful provisions for permanent school funds (1875) and safe investment (1889), the record has been marked by faulty and variable practices, and by no small amount of jobbery and frustration. In Canada on the other hand the school lands were retained from the outset under federal administration until the final settlement of the "Natural Resources Question" in 1930. Policies have been remarkably consistent and uniform, while the whole technique of land sales and investment, with a few significant exceptions in detail, has commanded not only the approval but the admiration of provincial authorities. Details of administration—chiefly leases

and the collection of deferred payments—have been subjected to criticism from time to time by provincial officials obsessed with the rapidly increasing costs of education in pioneer communities. It has obviously been impossible, and perhaps undesirable, to remove school lands altogether from their context in general land policy; the results nevertheless have been significant and far-reaching. The revenues from the school lands have been the highest, the cost of administration the lowest, the endowment as a whole perhaps the most praiseworthy and discerning among all the forms of general land policy on either side of the boundary.

## 2. *Precedents in the United States and "Canada"*

In the United States the use of public lands for general purposes of education is traceable to earliest colonial days. While the Cape Cod fishery may claim to have supplied the "earliest actual school fund in America", the practice of reserving lands for common schools was general in New England long before the Revolution.<sup>1</sup> The organization of the public domain after the Revolution carried forward this tradition, and it seems clear that Colonel Timothy Pickering of Massachusetts was chiefly responsible for the provision in the famous ordinance of 1785 reserving "the central portion of every township for the maintenance of public schools". The ordinance of 1787 proclaimed that, "religion morality and knowledge being necessary to good government, and the happiness of mankind, schools and the means of education shall be forever encouraged."

It is not clear whether zeal for education or the stimulation of land sales predominated in federal policy.<sup>2</sup> School lands were exploited more than once as inducements in the search for pioneer settlers "brave enough to conquer the wilderness." For many years the returns were almost negligible. Leasing systems were particularly futile. Certain districts of Ohio are still under lease at an annual rental of twelve cents an acre. It was not until 1826 that Congress authorized states to sell school lands by auction and to invest the proceeds. State administration, however, proved costly and variable. In Ohio the proceeds were lent automatically to the state for other purposes, and thus, in effect, new funds necessary from time to time for education had to be raised by general taxation. Michigan was perhaps "more successful than any other state in

<sup>1</sup> Joseph Shafer, *The Origin of the System of Land Grants for Education* (Madison: University of Wisconsin, 1902).

<sup>2</sup> P. J. Treat, *National Land System* (New York: 1910), p. 265.

dealing with the problem"<sup>3</sup>—one aspect of the "excellent school system" for which that remarkable pioneer in education, John D. Pierce, was chiefly responsible. Graduated sales and an eye to ultimate revenues were the guiding principles of Pierce's policy; and many features have been curiously paralleled in Canadian administration. After the crisis of 1837, for instance, the same problems of revision became necessary which had to be applied to the "boom" prices obtained for school lands in Western Canada during the world war. It was obviously possible to sell school lands too high as well as too low.

In many states, however, the lofty ideals of the Ordinance of 1787 were sadly perverted. In Wisconsin a Commission in 1862 found that "the trust has been most unfaithfully administered." In other states variable legislation with many "loop-holes for fraud" proved "exempt from the operation of the eighth commandment." It has been estimated that "a great part of the educational grants have realized not more than a dollar an acre."<sup>4</sup> Measured by that, or indeed by any standard, the proceeds and general policy of school lands administration in Western Canada have been phenomenal. In the United States also the net results were praiseworthy and they improved with experience. More than 73,000,000 acres, in twenty-nine public land states of the Union, have been granted for public schools.<sup>5</sup> The numerous other federal grants for education in the United States, moreover, have been conspicuously absent or applied to vastly different purposes in Canada—saline lands, "five and three per cent. grants", swamp lands, generous grants for Agricultural and Scientific Colleges, and other useful projects in the cause of education. The last alone has been called "the greatest of all landed endowments, in the cause of higher education." Vetoed by President Buchanan in 1858, the project of Justin H. Morrill of Vermont was forced again through Congress and approved by Lincoln in 1862. Public lands or land scrip equal to 30,000 acres for each senator and representative in Congress were to be granted to each state for a college "to promote the liberal and practical education of the industrial classes in the permanent pursuits and professions of life." This far-reaching project was amplified by special land grants to no fewer than nine public land states, and finally by the Morrill Act of 1890 which granted to each state from

<sup>3</sup> George W. Knight, "History and Management of Land Grants for Education in the Northwest Territory," *Report of Amer. Hist. Assoc.*, 1885.

<sup>4</sup> A. B. Hart, "The Disposition of Our Public Lands," *Quarterly Journal of Economics*, 1887, p. 178.

<sup>5</sup> B. H. Hibbard, *A History of the Public Land Policies* (New York: 1924) p. 323.

the proceeds of the public domain the sum of \$15,000 (raised by annual increments to \$25,000) "for the more complete endowment and maintenance of colleges for the benefit of Agriculture and Mechanic Arts." The solitary endowment from Dominion Lands for higher education in Western Canada was the grant of 150,000 acres to the University of Manitoba in 1885; and even this was charged back upon the province at \$2 per acre under the settlement of 1912 for the extension of the boundary.

In 1872 when the first general Dominion Lands Act was passed, the chequered history of land grants for educational purposes in the older provinces of Canada was also available for the guidance of the new Dominion. The ordinance of 1787 appears in the official correspondence in the *Q. Series*,<sup>6</sup> and a glebe of 200 acres was set apart in Upper Canada in each township for the support of a free school. By 1800 some twelve townships containing about 550,000 acres had been "set apart for the endowment of Schools, but not an Acre of these Lands (had) yet been sold." The vast areas of free grants made school reservations almost valueless, and as late as 1809 it was impossible to fix any limitation to such a prospect. In any event the chief tory concern of those days was for university education to forestall republican influences from the colleges of the United States. It was not until 1849 that the Baldwin-La Fontaine administration, the first in the old Province of Canada under fully responsible government, attempted adequate support for common schools by reserving a million acres of public lands in the counties of Huron, Bruce, Grey, Perth, and Wellington, to provide "a perpetual fund for supporting Common Schools." The proceeds were to be invested until the annual revenue amounted to £100,000. Administrative costs of 20 per cent. and a further appropriation of 25 per cent. for local improvements impaired the value of the fund, though sales were brisk until 1856, and continued in diminishing volume until 1880. In 1870 more than a million dollars of deferred payments were outstanding: in many instances with nothing but the initial payment "for 20, 30, 40, and fifty years". A number of "live sales" still survived in 1935 with arrears since 1853.<sup>7</sup> The fund suffered still further vicissitudes at the separation of Canada East and Canada West at Confederation, so that more than one defect of land administration must have been fresh in mind when the first Dominion Lands Act was drafted in 1872.

<sup>6</sup> Public Archives of Canada.

<sup>7</sup> Evidence before the Alberta Resources Commission, 1935.

### 3. *School Lands in Dominion Policy*

A forecast of the school lands system appeared at the outset in the Order-in-Council of 1871.<sup>8</sup>

By the Dominion Lands Act of the following year (35 Vict., c. 23, s. 22) it is provided that "sections eleven and twenty-nine in each and every surveyed township throughout the extent of Dominion lands, shall be and are hereby set apart as an endowment for purposes of education." The sale of the land and the investment of the proceeds were reserved for future legislation. From this prospective fund advances were authorized to Manitoba for three years in 1878 and again in 1884, but no sales were made until 1883. Meanwhile the Consolidated Dominion Lands Act of 1879 (42 Vict., c. 31, ss. 22 and 23) finally made provision for the administration of the school lands in terms which remained practically unchanged until the natural resources were returned to the Prairie Provinces in 1930. The school lands were to be administered through the Minister of the Interior. All sales were to be made by public auction after due advertisement, and at an upset price based upon the fair value of other unoccupied lands in the township. The terms of sale which have since been changed from time to time were fixed in 1879 at one-fifth in cash and the remainder in nine annual instalments with interest at 6 per cent.<sup>9</sup> The principal arising from sales was to be

invested in Dominion securities and the interest arising therefrom, after deducting the cost of management, shall be paid annually to the Government of the Province or Territory within which such lands are situated towards the support of public schools therein,—the moneys so paid to be distributed with such view by the Government of such Province or Territory in such manner as may be deemed most expedient.

During the early stages of pioneer settlement in Manitoba the burden of schools and local improvements was felt at its worst. One desperate community after another turned for aid to the provincial government. Denied the control of public lands as a source of revenue; the province in turn resorted to almost perennial pilgrimages to Ottawa. When it became apparent that the transfer of natural resources as a whole to provincial control was impossible, pending the achievement of the original "purposes of the Dominion" in retaining them, the line of least resistance appeared to be the

<sup>8</sup> *Sessional Papers of Canada*, 1871, No. 20.

<sup>9</sup> Changed in 1908 to one-tenth in cash and the remainder in nine annual instalments. The interest rate also has varied. It was reduced to 5 per cent. by 1 Edw. VII, c. 20, s. 7, raised to 6 per cent. in 1918, etc.

provincial administration of the school lands of which the province, by statute, was already the direct beneficiary. Scarcely a year passed without resolutions of the legislature, memorials to the Governor-General or delegations to Ottawa. Between 1887 and 1900 provincial revenues remained practically stationary while the number of school districts increased by nearly 350 per cent. After the creation of Alberta and Saskatchewan in 1905 joint representations from the Prairie Provinces on school lands administration found their way periodically to Ottawa. It was urged that distance impaired the administration of the trust; that the Dominion had no direct interest at stake; that the educational needs of pioneer provinces were never likely to be more urgent than at the beginning; that arrears of principal and particularly of interest could be collected more expeditiously by provinces under the stress of rapidly increasing taxation than by the Dominion with vastly different interests to serve in the settlement of Dominion Lands; and that the province could be relied upon to "keep the trust sacred and inviolate, and to use only the income arising from the lands and capital."

To many of these representations the Dominion responded sympathetically. In addition to the advances authorized to Manitoba in 1878 and 1884, a measure authorizing the transfer of \$300,000 of the principal was supported by both Fielding and Laurier in 1898.<sup>10</sup> But the bill was thrown out by the Senate, and government after government held inflexibly to the general principles of school lands administration. Sales were arranged after consultation with the provinces; the interest on deferred payments instead of being funded was paid over at once along with the regular interest from the fund; and the proceeds of grazing leases and other casual revenues from school lands were also applied at once to the mounting costs of education.

In the process of transferring the natural resources to provincial control it is a significant fact that no claims have been lodged by any of the Prairie Provinces against the general principles of school lands policy or against the general technique of sales administration by the Dominion.<sup>11</sup>

The statistics of sales and proceeds in Tables XI, XII, XIII, XIV, and XV, compiled from the records of the Manitoba, Saskat-

<sup>10</sup> "The needs of the Schools fund in Manitoba are greater to-day than they are likely to be at any future time"—Fielding. "It is better to take the money lying idle in the Dominion Treasury to assist these schools than that a heavier burden of taxation should be laid upon the settlers."—Laurier.

<sup>11</sup> See, however, below, p. 348ff.

chewan and Alberta Commissions, will be found useful in appraising the results of the system.

#### 4. School Lands Policy and Administration

A number of general conclusions may be drawn from these statistics, and from the evidence submitted before the Manitoba, Alberta, and Saskatchewan Resources Commissions:

TABLE XI—SCHOOL LANDS SALES IN MANITOBA\* TO MARCH 31, 1928

YEAR	ACREAGE	SALE PRICE (dollars)	AVERAGE PRICE PER ACRE (dollars)
Prior to 1905.....	271,384.45	2,181,066 91	8 04
1905-1906 .. . . .	692.12	8,570 24	12.38
1906-1907 .. . . .	125,086 98	1,526,546 35	12.20
1907-1908. . . . .	103,091 47	1,066,859.94	10 35
1908-1909 .. . . .	121 11	1,545 22	12 76
1909-1910 .. . . .	80,291.28	773,471 31	9 63
1910-1911.... . . .	670.41	15,437.53	23 03
1911-1912 .... . . .	203 05	4,208 76	20 73
1912-1913. . . . .	64,538 67	711,146 80	11.02
1913-1914... . . . .	39 87	285.09	7.15
1914-1915. . . . .	14.17	190 40	13.44
1915-1916 .. . . .	141.95	1,675 73	11 80
1916-1917 .. . . .	37,370.10	352,538.52	9.43
1917-1918.. . . . .	16,072.97	182,981.59	11.38
1918-1919.. . . . .	131.94	1,211 64	9.19
1919-1920..... . . .	86 38	863 80	10.00
1920-1921... . . . .	10,462 55	130,975.42	12.51
1921-1922. . . . .	4,065.01	41,565 74	10 22
1922-1923..... . . .	332.07	4,274 14	12.87
1923-1924..... . . .	458.20	1,629.38	3.56
1924-1925..... . . .	117.16	753.01	6.43
1925-1926..... . . .	32 00	245 00	7.66
1926-1927... . . . .	450 58	3,443 89	8 73
1927-1928..... . . .	41 02	296 14	7.22
Gross totals.....	715,895.51	7,011,782 55	9.79
Less cancellations and adjustments.....	78,309.84	893,095 29	11.30
NET TOTALS.	637,585.67	6,118,687.26	9.60

\*Manitoba Resources Commission.



(a) *Sale and Price of School Lands.* By general agreement the method of sale by auction, practically uniform from the beginning, has been conspicuously satisfactory. It would be hard to find under any category of public lands a technique of administration which has stood the test of experience so unchangingly for more than sixty years.

TABLE XII—SCHOOL LANDS IN SASKATCHEWAN\* TO SEPTEMBER 30, 1930

YEAR	ACREAGE	SALE PRICE (dollars)	AVERAGE PRICE PER ACRE (dollars)
Prior to Sept. 1st, 1905 .	145,906.40	1,423,086.58	9 75
1905-1906. . . . .	26,662 93	381,714 40	14 32
1906-1907 . . . . .	11,801 40	173,155.15	14 67
1907-1908. . . . .	1,388 44	26,324.82	18 96
1908-1909 . . . . .	539.68	6,312 55	11.71
1909-1910 . . . . .	14,777 40	235,811.09	15 95
1910-1911. . . . .	304,581.46	4,568,721.90	15.00
1911-1912. . . . .	1,517 27	48,421.26	31.92
1912-1913. . . . .	103,593.09	2,003,528 07	19.34
1913-1914 . . . . .	700 96	15,154.76	21.62
1914-1915. . . . .	359 45	5,801.52	16.14
1915-1916 . . . . .	1,173 93	17,221 55	14 67
1916-1917. . . . .	116,695.29	1,664,233 70	14.26
1917-1918 . . . . .	214,743 13	4,154,276.17	19 35
1918-1919. . . . .	535,065.63	12,060,096 00	22.54
1919-1920 . . . . .	82 62	947 65	11.47
1920-1921. . . . .	84,404.77	1,234,057.69	14.62
1921-1922. . . . .	35,340 66	475,031.18	13.44
1922-1923. . . . .	4,155.46	54,602.74	13 14
1923-1924. . . . .	356.32	3,997.91	11.22
1924-1925 . . . . .	221 52	2,950 65	13 32
1925-1926. . . . .	562 71	7,292 72	12.96
1926-1927. . . . .	481.86	6,611.12	13.72
1927-1928. . . . .	276,800 14	5,446,630.23	19 68
1928-1929 . . . . .	357,411.87	4,608,151.44	12 89
1929-1930. . . . .	372,010 73	5,435,353 70	14.61
1930 to Sept. 30. . . .	293.14	2,239.59	7.64
Gross totals. . . . .	2,611,628 26	43,999,764.29	16.85
Cancelled sales. . . . .	501,851.22	10,995,670.93	21.91
NET TOTALS . . . . .	2,109,777.04	33,004,093.36	15 64

\*Saskatchewan Resources Commission.

## SCHOOL LANDS

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From the outset there was a conflict of interest on the part of the provinces between rapid sales in order to alleviate the immediate burdens of the pioneer, and the prospect of a richer permanent endowment in the end by awaiting maximum land values in the process of permanent settlement. Upon the whole the Department

TABLE XIII—SCHOOL LANDS IN ALBERTA\* TO SEPTEMBER 30, 1930

YEAR	ACREAGE	SALE PRICE (dollars)	AVERAGE PRICE PER ACRE (dollars)
Prior to Sept. 1st,	1,791 02	49,940 16	27 88
1905. . . . .	127,705 66	1,491,820. 50	11 68
1905-1906. . . . .	10,238. 79	99,485. 08	9 72
1906-1907. . . . .	722 66	10,381. 48	14. 38
1907-1908. . . . .	235,013. 13	2,571,430. 16	10. 94
1908-1909 . . . . .	182,383. 90	2,216,911. 95	12. 11
1909-1910 . . . . .	373. 07	5,402. 54	14 48
1910-1911 . . . . .	2,375. 02	111,239. 70	46. 83
1911-1912 . . . . .	375. 01	10,711. 48	28 56
1912-1913 . . . . .	72 95	2,152. 78	29 51
1913-1914. . . . .	145 95	2,246. 28	15. 39
1914-1915 . . . . .	144,993 03	2,039,037. 37	14 06
1915-1916 . . . . .	96,859. 73	1,906,281. 89	19. 68
1916-1917. . . . .	90,310. 47	1,570,557. 19	17 39
1917-1918. . . . .	12. 30	127. 50	10. 37
1918-1919 . . . . .	122,536 44	2,165,850 05	17. 67
1919-1920. . . . .	4,985 48	75,997. 42	15 24
1920-1921. . . . .	145. 11	2,390 88	16 47
1922-1923 . . . . .	422 02	6,973 60	16 52
1923-1924 . . . . .	49. 63	1,128. 74	22 74
1924-1925. . . . .	271. 05	4,606. 03	16. 99
1925-1926. . . . .	68 76	876. 72	12. 75
1926-1927. . . . .	210,932 70	3,556,163 55	16. 85
1927-1928 . . . . .	299,393 34	4,266,712 84	14. 22
1928-1929 . . . . .	28,676 93	345,992. 43	12 06
1929-1930 . . . . .	14,674 05	166,886. 79	11. 37
1930-1931 . . . . .			
Gross totals . . . . .	1,575,528. 20	22,681,305 41	14 40
Less-cancelled-sales. . . . .	332,493. 27	5,013,899. 99	15 08
NET TOTALS . . . . .	1,243,034. 93	17,667,405 42	14. 21

\*Alberta Resources Commission.

of the Interior has followed inflexibly the second of these alternatives. "One of the last things that Sir Clifford Sifton did before leaving the Department", reads a memorandum of February 25, 1916, in reply to a joint memorial from the prime ministers of the Prairie Provinces, "was to place on file a memorandum to the effect that, in his opinion, the School Lands should be disposed of slowly."

School lands were deliberately reserved until neighbouring sections were settled in order to command the maximum price. Sales by public auction were carefully timed, usually after consultation

TABLE XIV—SCHOOL LAND SALES (RECAPITULATION)

	MANITOBA	SASKATCHEWAN	ALBERTA
Gross acreage sold... ..	715,895.51	2,611,628.26	1,575,528.20
Cancellations .....	78,309.84	501,851.22	332,493.27
Net acreage sold.....	637,585.67	2,109,777.04	1,243,034.93
	(dollars)	(dollars)	(dollars)
Gross sale price.....	7,011,782.55	43,999,764.29	22,681,305.41
Cancellations.....	893,095.29	10,995,670.93	5,013,899.99
Net sale price.....	6,118,687.26	33,004,093.36	17,667,405.42
	(dollars)	(dollars)	(dollars)
Gross average price per acre. .	9.79	16.85	14.40
Price of cancellations . . . .	11.40	21.91	15.08
Net price per acre .....	9.60	15.64	14.21

with provincial authorities, to follow good harvests, and to avoid recurring periods of depression. There were charges of collusion at auction sales: lands were knocked down to bidders who failed even to pay their initial deposits, and these lots, once offered by auction according to the regulations, could then be "sold at lower prices to other persons", by private sale.<sup>12</sup> There were further charges of haste in conducting sales and of inadequate upset prices. But compared with the record of school lands administration in Ontario or in the United States, the price itself would seem to carry a vindication of federal policy. Nothing comparable to the evils of variable state policies and self-interested legislation has emerged from the most exhaustive examination before the Saskatchewan and Alberta Resources Commissions.

<sup>12</sup> Manitoba Resolution of 1901.

In truth, the record of sales and cancellations would seem to warrant the views of Dominion counsel that by "stage-setting their sales", the Department in many instances get prices for school lands that were too high for sound economic development. From the statistics above (see Tables XI, XII, XIII) it would appear that school lands have been disposed of chiefly at three periods,

TABLE XV—PROCEEDS FROM SCHOOL LANDS

	MANITOBA (dollars)	SASKATCHEWAN (dollars)	ALBERTA (dollars)
PRIOR TO SEPT. 1, 1905.			
Principal (School Fund) . . .	1,263,126.58	242,223.38.	44,758.58
Interest on Fund.....	253,727 31	17,419.63	24,613.84
Total current revenue (interest, rentals, etc.).....	450,025.57	83,874.35	43,575.04
Gross proceeds.. . . .	1,966,879 46	243,517.36	112,947.46
Cost of administration . . . . .	85,315.37	14,683.94	14,772.56
Net proceeds. . . . .	1,881,564.09	228,833.42	98,174 90
SEPT. 1, 1905 TO SEPT. 30, 1930.			
Principal (School Fund).....	4,734,153.84	17,566,815.62	9,519,810.62
Interest on Fund.....	4,805,492.81	9,299,036 94	5,300,883.85
Total current revenue (interest, rentals, etc.) . . .	2,012,444 24	7,793,233.85	5,828,935 81
Gross proceeds.....	11,552,099.89	34,659,086 41	20,649,630.28
Cost of administration. . . . .	318,792 26	742,810.81	553,508.25
Net proceeds.....	11,870,892 15	35,401,897.22	21,203,138.53
TOTALS TO SEPT. 30, 1930.			
Principal (School Fund)....	5,997,280.42	17,809,039 00	9,564,569.20
Interest on Fund.....	5,059,220 12	9,316,456.57	5,325,497.69
Total current revenue (interest, rentals, etc.) . . .	2,462,469 81	7,877,108.20	5,872,510.85
Gross proceeds.....	13,518,970.35	35,002,603.77	20,762,577 74
Cost of administration.....	404,107.63	757,494.75	568,280.81
TOTAL NET PROCEEDS.....	13,114,862.72	34,245,109.02	20,194,296.93

each of which represented a peak in the fluctuating values of western lands. During the period 1910-1913—the “boom” just before the war—nearly a million acres were sold for more than \$13,250,000, at average prices ranging from \$9.63 in Manitoba in 1910 to \$46.83 in Alberta in 1912-1913. The total average price for this period was about \$13.38 per acre. Again from 1917 to 1919, under the impulse of war prices for wheat, some 1,253,000 acres were sold for more than \$23,930,000, an average price of over \$19 per acre, ranging from \$9.19 in Manitoba for 1919 to \$22.54 in Saskatchewan for the same year. During the third “boom” period, 1928-1930, nearly 1,550,000 acres were sold for over \$23,709,000, an average of \$15.30 per acre, ranging from \$7.22 in Manitoba for 1928 to \$19.68 in Saskatchewan for the same year. For several other single years, moreover, an exceptionally large acreage of school lands was sold under exceptional conditions. The sales in 1921, for instance—some 217,000 acres for more than \$3,530,000, an average of \$16.24 per acre—were made chiefly to the Soldier Settlement Board for cash. Of total sales of nearly 4,900,000 acres up to 1930, nearly 3,800,000 acres were sold under what may be termed “boom” conditions.

The prices are still more significant. Of a total contract price of nearly \$73,700,000, gross, for the sale of school lands up to 1930, nearly \$60,900,000 belong to the “boom” periods of 1910-1913, 1917-1919, and 1928-1930. The cancellations that followed these “boom” periods, as we shall see, were excessive, but both sale prices and cancellations are commentaries, in a sense, upon the shrewdness and thrift of Dominion officials in taking full advantage of the market in order to secure maximum prices.

(b) *Cost of Administration.* The fact that the management of school lands was incidental to the administration of nearly a quarter of the continent by the Department of the Interior, enabled the Dominion to reduce costs of administration to the lowest proportions.

For the province of Saskatchewan, gross proceeds accruing to the province from school lands (see Table XV) in the form of principal moneys (school fund), interest on the school fund, current interest on deferred payments for school lands, leases, hay permits, etc., have amounted to \$35,002,603.77 up to September 30, 1930. The total costs of administration (deducted annually from current revenues before the net proceeds were turned over to the province) have been \$757,494.75, or a little over 2.16 per cent. Measured by

net proceeds of \$34,245,109.02, the cost of administration has been a little over 2.21 per cent.

For Alberta the total gross proceeds accruing to the province up to September 30, 1930, have been \$20,762,577.74; the cost of administration has been \$568,280.81, or less than 2.74 per cent. Measured by net proceeds (\$20,194,296.93) the cost of administration in Alberta has been less than 2.82 per cent.

In Manitoba the gross proceeds to the province up to September 30, 1930, have been \$13,518,970.35. The cost of management has been \$404,107.63—a little less than 2.99 per cent. of gross proceeds, and a little more than 3.08 per cent. of net proceeds.

For the whole period of Dominion Lands from 1870 to 1930 the total cost of management for school lands has been \$1,729,883.19. The gross proceeds have been \$69,284,151.86, and the net proceeds to the Prairie Provinces \$67,554,268.67. The cost of administering this historic "endowment for purposes of education" has been a little more than 2.56 per cent. of net proceeds and a little less than 2.5 per cent. of gross proceeds from school lands.

Measured by gross sales the costs of management have shown a still lower percentage. For Manitoba, where early sales brought less spectacular prices and where the interest from the school fund, accumulating over many years, has more than equalled the fund itself in total net proceeds to the province, the cost of management has been 5.76 per cent. of gross sales.<sup>13</sup> But for Alberta, gross sales have been \$22,681,305.41 while cost of management has been \$568,280.81—barely 2.5 per cent. For Saskatchewan where gross sales have been \$43,999,764.29 and cost of management \$757,494.75, the percentage has been less than 1.73. For the whole period of Dominion Lands from 1870 to 1930, the total gross sales of school lands in the three Prairie Provinces have been \$73,692,852.25. The cost of management has been \$1,729,883.19 or less than 2.35 per cent.

Meanwhile other selling agencies for western lands were content to spend vastly larger percentages of proceeds from land sales upon costs of management. The cost of administering the Soldier Land Settlement after the war was 19.46 per cent. of gross loans.<sup>14</sup> Evidence before the Saskatchewan Resources Commission indicated that the C.P.R. spent no less than 45 per cent. of gross sales upon administration. It is fair to add, however, that C.P.R. lands were not sold primarily for revenue purposes, since rapid sales, steady

<sup>13</sup> A cost of \$404,107.63 for gross sales of \$7,011,782.55.

<sup>14</sup> Gross loans, \$123,562,776, administrative expenses \$24,045,143. *Saskatchewan Resources Commission*.

immigration, freight from permanent settlement, and other aspects of sound railway development, were kept constantly in view, and undoubtedly warranted a less lucrative policy of land sales with higher costs of administration. For the Hudson's Bay Company estimates for the periods 1921 and 1926 indicated costs of administration amounting to 65 per cent. and 38 per cent. respectively of net sales. For the Manitoba Swamp Lands Commission the costs were over 12 per cent. of sales. For the Canadian Northern and Canadian National Railways, costs of administration, estimated at \$1,310,000, were over 9 per cent. of gross sales and over 23 per cent. of net sales (\$13,781,128 and \$5,660,925 respectively) during the period 1917-1930, corresponding to the period of maximum sales for school lands. The cost of administration allowed by Order-in-Council for school lands in the old province of "Canada", as we have seen, was 20 per cent. It is doubtful if any selling agency in the history of western land sales has ever approached the low costs of administration for the school lands of the Prairie Provinces.

(c) *Defects of Administration.* Certain aspects of Dominion administration, however, have been attacked by the provinces and have exposed the Department of the Interior to drastic criticism before the Saskatchewan and Alberta Resources Commissions of 1934-1935.

The policy with regard to collections on arrears of deferred payments, it was charged, was unwarrantably lenient; the ratio of cancellations in school lands sales was conspicuously high; voluntary cancellations were notoriously easy; while involuntary cancellations were seldom resorted to in order to enforce collections. Serious losses, therefore, to current school lands revenues were charged to the leniency of Dominion policy.

The Dominion, on the other hand, maintained that excessively high prices contracted under "boom" conditions could not be collected during subsequent periods of crisis and depression; it was easy to sell at the crest of the wave but hard to collect at the trough. Indiscriminate cancellations, moreover, would have been unwise without a prospect of resale. Weed infestation alone would have been a serious problem; and the same conditions which were held to warrant cancellation made resale during the depression impossible. In Manitoba where school lands sales before 1905 encountered fewer vicissitudes of world conditions, cancellations were phenomenally low. More than 98 per cent. of gross sales prices were paid in full.

With regard to collections, there were precedents for leniency in the policies of the Manitoba Swamp Lands Commission and the Canadian Pacific Railway. Both these organizations avowed two principles: never to resort to the courts to enforce the personal covenant in the sales contract, and never to cancel the sale so long as the occupant of the land maintained a proper attitude towards his obligation. It was conceded that both organizations maintained more frequent inspections and kept in closer contact with "live sales". For the amendment, however, in the Dominion Lands Act of 1927—"the acme of leniency"—permitting purchasers to cancel part of the contract and apply all payments to the acreage retained, the Dominion was able to file the official approval of all three of the Prairie Provinces in that year.

On the other hand there was little evidence of any "follow-up" system in collections; and no use was made of the "crop-share" system employed by practically every private land agency, and used after the transfer by the Province of Saskatchewan for school lands sales outstanding. In Alberta a total acreage of 332,323 out of gross sales of 1,573,737 acres—over 21 per cent.—was cancelled by the Dominion from 1905 to 1930. On these sales the average tenure of which was  $9\frac{1}{2}$  years, the total principal collected was only 13.4 per cent. of the sales price; and since the initial payment was 10 per cent., only 3.4 per cent. of principal after the first payment was ever collected. All but 12.7 per cent. even of the interest payments went by default. Reduced to a rental basis, the total payments of both principal and interest, including the first payment, amounted to 31 cents per acre per annum over a period of  $9\frac{1}{2}$  years of occupancy. "At 31¢ an acre, the tenure of these lands was cheaper than any agricultural lands in the west under any scheme of holding".<sup>15</sup>

A further area of 190,000 acres of Dominion sales subsequently cancelled by the Province was in occupancy an average of 4.14 years prior to 1930 and thus shared the full benefit of "boom" prices for wheat. On this acreage only two-fifths of one per cent. of principal was ever collected after the initial payment—only one in fifty of the purchasers ever paid the second instalment, and this during a "period in which the west had its best uniform production, the best production per acre and the best price level in its history."

In Saskatchewan the average period of occupancy before cancellation by the Dominion was 7 years. Sales of more than \$2,100,000

<sup>15</sup> M. M. Porter, K.C., Senior Counsel for Alberta.



were cancelled and resold to the same purchasers for less than \$1,525,000.

In one respect at least the Dominion failed for many years to carry out the letter as well as the spirit of the school lands trust: the principal moneys from land sales were allowed to accumulate in the Dominion Savings Bank, drawing bank rates of interest (3 per cent.) instead of being invested, as the Act prescribed, in "Dominion securities". It was not until 1917, as the result of a protest from the Provincial Treasurer of Manitoba, that the whole available school lands fund was invested in Dominion debentures at 5 per cent. It was estimated in 1927 that the Province of Manitoba had lost more than \$500,000 in interest from this source, and a suit in the Exchequer Court awaited only the fiat of the Dominion when the settlement of the whole "Natural Resources Question" was finally arranged. Before the actual transfer of 1930, however, the provincial claims with regard to arrears of interest had been fairly readjusted by continuing a uniform rate of 5 per cent. on the fund despite the fluctuating rates of Dominion securities after 1917.

(d) *Provincial interests versus "purposes of the Dominion"*. Between the general lands policy of the Dominion and the special function of the school lands as an "endowment for purposes of education" in the Prairie Provinces there was a conflict of interest which was not always resolved in favour of the provinces.

Of all the general "purposes of the Dominion" in the retention of Dominion Lands, the chief, undoubtedly, was rapid and permanent settlement—railways and railway land grants to make it possible, and free homesteads to make it attractive. The reservation of school lands was undoubtedly an integral part of the inducement held out to the prospective settler. "Parliament pledged its faith (reads the historic report of the Committee of Council in 1884) that a large portion of these lands should be set apart for free homesteads to all coming settlers, and another portion . . . held in trust for the education of their children."<sup>16</sup> It is true that settlement was necessary in order to give school lands a market value: even for sound school lands policy it was necessary to "dovetail it into the settlement policy." But the excessive leniency of the Dominion with regard to inspections, collections, and cancellations, was obviously in keeping with the Department's major policy of rapid settlement rather than with the fiscal interests of the provinces in

<sup>16</sup> *Sessional Papers of Canada*, 1885, No. 61.

the school lands. The brisk sales of school lands, moreover, and the high prices obtained in 1910-1913, 1917-1919, and 1927-1930, are traceable not only to the general increase of population but to economic world conditions of the first importance. In that sense the price of wheat in world markets may be a better index of school lands sales than the census returns of the Prairie Provinces. Many a Saskatchewan farmer may have been prepared to pay more for an adjoining quarter section of school lands because he had got his original homestead for nothing. Possibly, indeed, he may have settled upon his free homestead in the first place because he had a prospect of buying an adjacent quarter section of school lands or railway lands at attractive prices. But he seldom settled upon school lands in the first instance; and the price he was prepared to pay for them must have depended less upon the number of fellow-homesteaders in his neighbourhood than upon the quotations for wheat and barley upon the Winnipeg grain exchange. It would be easy to demonstrate that school lands sales have followed the fluctuating course of world prices for wheat rather than the steady curve of population in Western Canada. Thus while the fiscal interests of the provinces in the school lands may have been subordinated in some respects to the free homestead policy of the Dominion in procuring settlers, those interests prospered with the homesteader's prosperity, and the interests of both province and Dominion depended less perhaps in the long run upon "policy" at all than upon basic factors of physiography, good and bad times, and world markets.

(e) *School Lands and Provincial Education.* Despite all defects of administration and the inherent difficulties of combining a free homestead policy with an effective policy of land sales, the proceeds from school lands have formed a very creditable and productive endowment. The interest on the school lands fund together with the current revenues from leases, rentals, interest on deferred payments, etc., have gone far to alleviate the heaviest burdens of education for pioneer settlement.

In Saskatchewan where the permanent school lands fund is nearly twice that of Alberta and nearly three times that of Manitoba<sup>17</sup> the total revenues received from 1905 to 1930 from school lands were about \$16,300,000, while the grants of the provincial government to public schools amounted to more than \$33,400,000. Nearly

<sup>17</sup> Approximately \$17,800,000 for Saskatchewan, \$9,550,000 for Alberta, and \$6,000,000 for Manitoba in 1930.

half the provincial grants to public schools thus came from school lands. In Alberta the school lands and school lands fund yielded revenues of about \$10,500,000 from 1905 to 1930, while grants to public schools amounted to more than \$19,600,000, and total grants to education to more than \$36,000,000. More than half the provincial grants to public schools and less than a third of the total grants for education thus came from school lands. In Manitoba the revenues from school lands for the same period (about \$6,500,000) supplied a much smaller proportion of the total provincial grants for public schools. In 1921, to take an average year, the provincial grant was \$1,354,000 while revenues amounting to \$350,000 were derived from school lands—a little more than one-quarter of the provincial grant. Municipal levies for public schools for the same year amounted to more than \$8,120,000—more than 23 times the year's revenues from school lands.

Among all the categories of Dominion Lands, school lands made the nearest approach to administration for purely fiscal purposes. With the exception of town sites and other exceptional classifications no other category has yielded so high a sale price or produced so permanent a revenue.

It would be rash, for obvious reasons, to regard either school lands or Hudson's Bay lands as fair staples of any general land sales policy. But the combination of the two, the one under public and the other under private administration, affords many interesting parallels. Sections 11 and 29 for school lands and sections 8 and 26 for Hudson's Bay lands occupy strategic positions of maximum accessibility in every township.<sup>18</sup> Together they comprise nearly one-ninth the total area of the fertile belt—a little less than the ratio of clergy reserves in the land grants of Upper Canada which Sydenham pronounced to be "the root of all the troubles of the province . . . the perpetual source of discord, strife, and hatred." At least fifteen accessible and evenly distributed quarter sections in every township were thus available for sale to the enterprising homesteader. Within the railway belt and other areas reserved for railway land grants, moreover, all the remaining odd-numbered sections that were "fairly fit for settlement" were also reserved for sale. Within these areas it would not be unfair to say that a sales policy predominated, since nearly five-ninths of every township was excluded from homestead entry. Railway lands, under the Canadian system of "indemnity selection", were of course "fairly

<sup>18</sup> See Fig. 8.

fit for settlement". School lands and Hudson's Bay lands, on the other hand, in both quality and distribution throughout the whole range of the fertile belt, were a fair cross-section or "mine run" of the lands of Western Canada. The general relation between grants and land sales will be discussed in another context,<sup>19</sup> but it is a remarkable fact that at a time when free homesteads were still supposed to form the staple of Dominion Lands policy, the gross sales of Hudson's Bay lands to the value of nearly \$60,000,000 and of school lands to the value of more than \$73,000,000—more than \$133,000,000 in all—have resulted from the disposal of about 9,850,000 acres "of fair average quality" and uniform distribution in the Prairie Province.<sup>20</sup> The average gross sales price has been more than \$13.50 per acre.

The cancellations of school lands sales, as we have seen, have been excessive, but the net results have been ingeniously recapitulated in still another form in the findings of the Saskatchewan and Alberta Resources Commissions. "Although the Dominion record is not without its blemishes it makes, on the whole, an excellent showing." For Saskatchewan the estimate is as follows:

Of the areas of land set apart for school purposes in the Province—about 3,945,000 acres—the Dominion sold about 2,600,000, of which about 500,000 acres were later cancelled and reverted in the Crown. The result of those net sales is that the 2,100,000 acres have already yielded

(a) current revenue (interest, rentals, etc ), paid to the Province	
year by year, 1905-1930.....	\$16,350,000
(b) principal money on sales (transferred to the Province on	
October 1, 1930).....	\$17,800,000

This is the equivalent of more than \$16 an acre on the net sales, and has all been paid to the Province in cash. Further, on October 1, 1930, the Dominion turned over to the Province many agreements for sale, under which there was outstanding principal of about \$16,000,600. Of this sum only about \$4,000,000 was in arrears. Even making allowances for substantial losses in collection, these outstanding accounts should yield several dollars to be added to the \$16 already mentioned.<sup>21</sup>

For Alberta the results though less imposing in average price per acre on gross sales were substantially on a par with those of Saskatchewan in price per acre on net sales: a significant commentary upon the "effect (in Saskatchewan) of sales at prices which, in view of subsequent conditions, proved to be unduly high." Of 1,570,000 acres sold in Alberta, about 330,000 were later cancelled

<sup>19</sup> See below, Chapter XIII.

<sup>20</sup> Gross acreage Hudson's Bay lands, 4,950,621; school lands, 4,903,051.

<sup>21</sup> Report, p. 31.

and reverted in the Crown. Net sales of 1,240,000 acres thus produced \$10,570,000 of current revenue to the province year by year, and \$9,500,000 in the permanent school fund. As for Saskatchewan this was "the equivalent of more than \$16 an acre on the net sales, and has all been paid to the province in cash"; while outstanding principal of \$8,000,000 will yet yield "several dollars an acre to be added to the \$16 already mentioned."<sup>22</sup>

Manitoba with \$6,000,000 of principal in the permanent school fund and \$7,500,000 of current revenues for the longer period since 1885, has enjoyed the equivalent of \$21 an acre in cash on the net acreage sold by the Dominion, though the average price per acre on gross sales from the beginning has been only \$9.79 by comparison with \$16.85 for Saskatchewan and \$14.40 for Alberta.

For all three provinces the basic principles laid down by the Dominion more than sixty years ago still remain "sacred and inviolate"; and thus the school lands policy of the Dominion Lands era has become a permanent pattern in the development of the Prairie Provinces.

<sup>22</sup> *Report*, pp. 32ff.

## CHAPTER VII

# THE FREE-HOMESTEAD SYSTEM: THE BACKGROUND IN THE UNITED STATES

### *1. Analogies and Contrasts*

THE free-homestead system was adopted by the first parliament of the new Dominion of Canada, without opposition and almost without discussion. The decision, however, was neither sudden nor perfunctory. Within less than five years the federated provinces had reached the Pacific. An empire of "Dominion Lands" lay between the Great Lakes and the Rocky Mountains, and two converging sets of influence—one from the provinces themselves and one from the United States—must have made a policy of free homesteads almost unavoidable. A third, from the new Dominion itself, must have made it inevitable.

At the passing of the first Dominion Lands Act in 1872 three of the British provinces had free-homestead legislation upon their own statute books. In none of them, perhaps, was the issue altogether indigenous. In all three there were local conflicts to be compromised between the interests of the lumber industry and the cause of permanent agricultural settlement. None of the three, however, could escape the ground-swell from the deluge of American migration moving westward to the prairies of the middle west. In the western peninsula of the old province of pre-confederation "Canada" not only the ground-swell but the deluge itself was clearly perceptible. Situated upon the channels of communication between the St. Lawrence system and the headwaters of the Mississippi, and cut off to north and west from agricultural hinterlands of its own by the formidable barriers of the Precambrian shield, the Canadian frontier of the fifties developed here its most combative and instinctive characteristics. In the ensuing conflict between Clear Grit and Tory the problem of free land for the frontiersman came nearer perhaps to a decision upon its merits than it could reach at that time in the United States where sectionalism and civil war were to have at last the casting vote.

In none of the separate provinces were fundamental issues involved comparable to those in the United States, until relations with the republic during the civil war threatened their prospects of a national destiny. Westward expansion to the Pacific, a trans-continental railway on Canadian soil, and the settlement of a wilderness beyond the Great Lakes could no longer be left to chance. In that sense the Canadian federation was intended to be the beginning and not the end; and the determination to retain under federal control this empire of Dominion Lands in defiance of every constitutional usage to the contrary in the federated provinces was the measure of the national emergency. In this context railway land grants and free homesteads took on a new and fateful meaning. This federal aspect of the free-homestead policy is at once more subtle and more fundamental than the issue of free lands in the older provinces. In a sense almost altogether new it was national in its scope, and its origin is to be found not in provincial politics but in the race for the Pacific with the United States.

But in any event the direct influence of the United States, by precept and example, was too powerful in the early seventies to be withstood. Their experience in dealing with many of the same problems on a much larger scale was a veritable quarry for Canadian policy. Not only were the chief problems—expansion, transportation, settlement—the same, but many of the policies that were appropriated, the nomenclature applied or misapplied to them, the analogies, usually false and misleading, that were cited for federal control, were to be found ready-made in the United States. Many of the names are the same, but both meaning and function are often grotesquely different. "Pre-emption" and "commutation" were duly appropriated in the earliest Canadian regulations, but the later Canadian practice had little except the name in common with the Distribution-Pre-emption Act of 1841 in the United States. On the other hand there were no "donation" or "graduation" or "two, three and five per cent." regulations in Canada. There was no counterpart to Clay's project for "distribution"; and the counterpart to Calhoun's policy of "retrocession" was an entirely different doctrine, as fundamentally sound and successful in Canadian constitutional procedure as it has been unsuccessful and unconstitutional in the United States. There were "swamp lands" in Canada but the analogy scarcely goes beyond the name. For school lands, as we have seen, the early American model was handsomely appropriated and improved. The use of scrip and other forms of

land warrants for "half-breed claims" and for a variety of military and other land grants was an expedient which had been used and abused in the United States over a still wider range of administration. But again the issues to which they were applied were different. The claims of the Hudson's Bay Company, the Métis, and the Selkirk settler, the Riel Insurrection of 1869, the Riel Rebellion of 1885, all turned in no small measure upon land policy.

False analogies are particularly easy with regard to the free-homestead system which is usually regarded as the staple of land policy in both countries. In no category of Dominion Lands, perhaps, are superficial resemblances so obvious and historic origins so different. The free homestead was almost within reach, as it seemed at that time, under the frontier impulses of Jacksonian democracy; but before its adoption a generation later in 1862 it was to pass through vicissitudes which have no counterpart in Canada. The historic background of the Homestead Act of 1862 is to be found in issues as remote as tariffs, slavery, and the exigencies of civil war. In the bitterness of these sectional conflicts the merits of the case are almost lost to view, and the free-homestead law of 1862 was forced through at last by its traditional enemies at a time when its traditional friends had withdrawn altogether from the union.

Despite these analogies, true and false, the three phases of land policy in the United States from the organization of the public domain to the free-homestead law of 1862 all stand in curious contrast to contemporary tendencies in British America.

During the federalist period when the public domain was regarded as the chief fiscal endowment of the nation and the greatest federal bond between the constituent states of the union, the principle of sale and revenues was so deeply entrenched that it required nearly three-quarters of a century to dislodge it. As late as 1860 the first free-homestead bill to pass both houses of Congress was vetoed by President Buchanan because "it never was intended by the framers of the Constitution that these lands should be given away by Congress." In Upper Canada, meanwhile, free grants were being lavished on such a scale that even the school lands were almost worthless as a fiscal resource of the province.

During the second phase of land policy in the United States a determined attack, under the growing power of the frontier, was made upon the original conception of the public domain. To the frontiersman, whether orderly settler or venturesome "squatter", the land was not a fiscal resource but a potential national asset



which his own enterprise and resourcefulness alone could capitalize for the nation. This assault upon the orthodox doctrines of the public domain was just winning a foothold in the United States when British officials from Bathurst, Glenelg, and Grey in the Colonial Office to Maitland, Gibbon Wakefield, Durham, and Sydenham in the colonies themselves, began a systematic attempt to overcome the handicaps of the free-grant system and to establish a sales policy in emulation of the reputed virtues of land policy in the United States. In the classic pages of Durham's *Report* the success and permanency of that policy are assumed without discrimination:

The system of the United States appears to combine all the chief requisites of the greatest efficiency. It is uniform throughout the vast federation; it is unchangeable save by Congress, and has never been materially altered; it renders the acquisition of new land easy, and yet, by means of price, restricts appropriation to the actual wants of the settler; it is so simple as to be readily understood; it provides for accurate surveys and against needless delays; it gives an instant and secure title; and it admits of no favouritism, but distributes the public land amongst all classes and persons upon precisely equal terms. That system has promoted an amount of immigration and settlement of which the history of the world affords no other example.

The third phase of land policy led at least to a common destination in both countries—the free homestead as a staple of land administration. In the United States it was won not by the militant frontier intent upon free land but by sectional conflict which was resolved only by civil war. In the British provinces sectional conflict, too, played a part. By 1860 the ascendancy of the frontier in the old province of “Canada” had already raised the issue of free land against the lumber interests and the land companies. For all the British provinces, however, local issues were soon submerged beneath “events stronger than advocacy”. In the wake of federation and westward expansion the free-homestead system became a new creature. Whatever opposition to it may have survived within the old provinces, not a trace of opposition to it is to be found for Dominion Lands in the federal field. For sixty years it was to subsist, as its advocates claimed, “a great national purpose”. To that extent, at least, the immediate functions claimed for it in both countries were not dissimilar. If it helped to “save the union” against secession and civil war, it was designed to safeguard the new Canadian federation in its desperate task of making good a transcontinental Dominion.

## 2. *Sectionalism and the Frontier in the United States*

The early stages of revolt against the orthodox doctrine of the public domain began with the migration from Europe into the United States and the migration from the eastern states to the frontiers of the middle west. The vanguard of this movement was the "squatter". In Canada the squatter was almost negligible. The Selkirk settler, the Métis, and the Indian were already on the prairie before it became a frontier of Canada: their rights were recognized from the first in legislation both imperial and Canadian. The American frontiersman on the other hand marched so fast and so far in advance of effective administration that he sometimes left the surveyor himself far behind. Claim Associations sprang up on every hand to hold the line. "Squatters' rights" found their way into politics and were eventually invoked to keep the soil of Kansas and Nebraska "free" against the claims of the "slave" south.

Long before the free homestead appeared above the political horizon, stubborn facts forced some sort of recognition for the spirited "squatter" upon the frontier. The "pre-emption" was the first step in the process—the right of the "squatter" on the public domain to hold his quarter section by paying the minimum price, building a log cabin, and cultivating a quota of the land. The Canadian "pre-emption" after 1908—the right of the homesteader with a quarter section duly "entered" for homestead to buy an adjoining quarter section at a fixed price of \$3 per acre—would scarcely have been recognizable by Thomas Hart Benton and other champions of pre-emption during the thirties in the United States. It required nearly two decades of agitation before Benton's "log cabin bills" found their way into law. Temporary relief had long been necessary from time to time for the squatter in advance of legal purchase; but a pre-emption law in 1830 for the first time recognized a prospective right for a single year, and it was not until 1841, after the famous "log cabin and hard cider" election, that the Distribution-Pre-emption Act eventually became law. It combined pre-emption with the distribution of ten per cent. of the proceeds of the public domain to the states from which they were derived, and grants of 400,000 acres to new public land states. "Distribution" quickly disappeared, but pre-emption was extended in 1854 even to unsurveyed territory. The squatter could now hold his own against all comers throughout the whole range of the public domain. Pre-emption led to a veritable boom in frontier land sales,

many of them fraudulent. The resourceful speculator had little difficulty in enlisting confederates upon the frontier or sending forward to the frontier a trained army of accomplices to exploit the squatter's hard-earned privileges of selection in advance of the surveyor. It would be hard to compute the public plunder that must have accompanied the protection of the genuine squatter during the half-century the Pre-emption Act remained upon the statute books.

Already the administration of the public domain was becoming complicated by sectional interests which made a solution upon its merits almost impossible. For the industrialized northeastern states emigration meant rising costs for labour, and cheap lands upon the frontier meant decreasing land values. Above all, the tariff, that Diana of the Ephesians to the eastern manufacturer, was in danger. As early as 1790 the land revenues had been appropriated by Congress for retiring the public debt—they were to be “applied solely to that use”. The end of the public debt through the abounding land revenues of the early thirties was already in sight. In a single year, as Durham noted in his *Report*, the public domain had yielded “above four millions sterling, or more than the whole expenditure of the Federal Government.” The classic argument for high tariffs as a fiscal necessity was being destroyed upon the frontier.

The agricultural south, on the other hand, associated low tariffs and abounding land revenues with an instinctive sympathy for the frontier in its contest with the credit centres and industrial outlook of the northern Atlantic states. Between these two economies, soon to be locked in a death-grapple upon the basic issue of slavery, the expanding West sought allies where it could find them. With the frontiersman's resourcefulness, every political device was soon explored in Congress for extorting cheap land from the public domain, and safeguards for the “toil and enterprise of the pioneer” against the “predatory vested interests of the east.” The fact that the interests of the West could be predatory also merely intensified the assault upon the orthodox function and historic interpretation of the public domain.

In the debates of 1838 on pre-emption the champions of these sectional interests entered the lists face to face. A southerner by birth but a redoubtable westerner by residence and by conviction, Thomas Hart Benton, senator from Missouri, spent thirty years of a busy lifetime in advocating the interests of the frontier. His first

measure, a pre-emption bill, was re-introduced again and again for nearly two decades before it finally became law in 1841. Another of Benton's "log-cabin bills", perhaps the nearest approach to the principle of the free homestead, was his "graduation" scheme of 1824. He argued that uniform fixed prices for land were "arbitrary and unjust". They were unjust to the pioneer because his quarter section, if inferior to the best, could not be got at a "fair" price; they were unjust to the frontier states, and to the whole republic, because they checked the even flow of population, complicated taxation for primitive communities, and impaired land sales and revenues. Benton's remedy was land at graduated prices, as low as fifty cents per acre if it remained long enough in the market unsold; and as a last resort to grant free the "refuse" lands to "such poor persons as may be willing to take and cultivate them." In 1854, nearly a whole generation after Benton's first "graduation" bill, the Act finally passed. Land which had been on the market for ten years was to sell at \$1 per acre; at 75 cents if on the market for fifteen years; at 50 cents after twenty years, at 25 cents after twenty-five years, and at 12½ cents if on the market for thirty years or more. By this time, however, the more radical movement for free homesteads, though defeated more than once in Congress, had been caught up in the more vital issue between "slave" and "free" for the control of the West. The staunchest allies of the movement were soon to be found among its traditional enemies. With the passing of the Homestead Act in 1862 "graduation" ceased to function for the protection of the frontier.

The northeastern industrial states found an adroit champion in Henry Clay whose compromise of 1832 was a bold and resourceful attempt to safeguard both the tariff and the orthodox doctrine with regard to the public domain. A hostile senate in order to ruin Clay's candidature for the presidency—to "bury him under the public domain"—had referred the whole issue to the Committee on Manufactures of which Clay himself was chairman. Appealing not to the straggling squatter upon the frontier but to the frontier states as such in their desperate need of public credit and public works, Clay shrewdly proposed to distribute the surplus land revenue to the constituent states of the union, thus disposing, at one gesture, of the prospective federal surplus and the strongest argument of the South and West for a reduction in the tariff. His report reaffirmed for nearly a generation the historic function of the public domain. By the specific acts of cession by the original states of the union, and

by the subsequent purchases by the federal government "a great public national trust" had been created. Under this solemn trust the union was pledged to "hold and administer the lands ceded as a common fund for the use and benefit of all the States and for no other use or purpose whatever." Financial crisis added to the fiscal difficulties of governments both federal and state, and thus the combination of "distribution" and high protection resulted in a very plausible compromise for East and West alike. Clay's distribution bill passed both Houses of Congress, but it was vetoed by President Jackson after whose Western sympathies and democratic principles this whole era of "the rise of the common man" was to take its name. "Distribution" was coupled for a time with pre-emption in the Act of 1841, but a frontal advance upon the free homestead was to await a much more fundamental alliance between North and West than Clay could ever hope to effect by his ingenious compromise. The Homestead Act of 1862 was a master-stroke in the conflict not against tariffs or vested interests in the public domain, but against slavery.

A third champion left his mark upon the movement for cheaper land. Calhoun's candidacy for the presidency stood in need of allies beyond the "solid south". Opposed alike to "distribution" and to pre-emption, Calhoun introduced in the midst of the crisis of 1837 a bill to cede to the public land states the administration of the public domain within their borders under federal regulations and under trust to pay into the federal treasury one-third (in subsequent bills one-half, and sixty-five per cent.) of the proceeds. Frontier states were in bondage to the federal government through the federal control of the public domain. "The disease lies in ownership and administration; and nothing short of parting with both can reach it."<sup>1</sup> "Cession" or "retrocession" had been advocated in Congress since 1826, but in Calhoun's advocacy it became a "golden apple of discord"—"the most splendid bribe that had ever yet been offered" to the West to integrate their interests with those of the South against the industrial interests of the Northeast. Not Benton himself could hold out such a prospect of equalizing in status the new states with the old, and of forestalling the conflict of interests between them. Calhoun's bill never passed Congress but it remained in the field for twenty years until it was overshadowed by the darker issues of civil war.

<sup>1</sup> Quoted in George M. Stephenson, *The Political History of the Public Lands from 1840 to 1862* (Boston, 1917), p. 33.

### 3. *The Homestead Act of 1862*

Enough has been written to illustrate the desperate compromises, the bitter sectional and political controversy, through which any project for free land had to run the gauntlet in the United States. The approach to the Homestead Act of 1862—in its appeal to the imagination of millions, one of the great measures of world history—is marked by a still deeper issue, a still graver hazard to the frontier and to the union. The goal was finally reached through perils to which there is no counterpart in the Canadian free-homestead system and happily no counterpart in Canadian history.

In the United States as in Canada during the Sydenham régime small grants of free land were made from time to time in the nature of "bounty" grants without conceding in the least the principle of the free homestead as a staple of land policy. Military grants in profusion were common to both countries. Free grants were made to poor settlers for the construction of colonization roads as in Canada or in the form of frontier "donations" for defence against the Indians in Florida, Washington, or New Mexico. Free grants were made to attract or reward settlers in Oregon in order to vindicate by actual occupancy the claims of the United States against the British claims of the Hudson's Bay Company: single men who settled before 1850 received half a section, and married men a whole section, from the public domain. Much the same technique proved still more efficacious in Texas. Stephen F. Austin had been authorized by the Mexican government in 1823 to offer to prospective settlers free grants of agricultural and grazing land upon the payment of a nominal charge for survey and administration.<sup>2</sup> In the ensuing struggle with Mexico the free homestead was a potent factor in attracting recruits and in securing first their independence from the Mexican government in 1837 and their subsequent annexation to the United States in 1845. The State of Texas sold to the federal government in 1850 an area of more than 76,000,000 acres which was added to the public domain and in due time became part of the "public land states" of Kansas, New Mexico, Colorado, Wyoming, and Oklahoma. The remainder of the State of Texas retained full control of its public lands and continued a free-homestead policy which was in many ways the first demonstration of that system as a staple of land policy in the United States. In one sense, the technique applied so effectively in Oregon and in Texas

<sup>2</sup> About 4,500 acres of grazing land and 177 acres of farm land to each head of a family.

was brought into play on a larger scale in 1862. In so far as the Homestead Act was part of a policy to win the West as free states in the conflict with the South, it may be credited with a share in a deeper design than the acquisition of frontier territory to the United States. In a sense it was used to "save the union".

The normal frontier movement for free land drew support upon its merits from a wide variety of less devious sources without which indeed it could scarcely have served the interests of sectionalism or political ambition. The orgy of railway land grants which began with the Illinois Central in 1850 fairly wrecked the old federalist doctrine of the public domain. The frontiersman soon discovered in unexpected quarters allies who required nothing but organization to make them powerful. A labour movement in the East led by George Henry Evans and his *Working Man's Advocate* was launched into the cause of land reform. Pointed petitions and seductive circulars found their way into political circulation. "Are you an American citizen? Then you are a joint owner of the public lands. Why not take enough of your property to provide yourself a home? Why not vote yourself a farm?"<sup>3</sup> Horace Greely after a western tour in 1847 added his powerful advocacy in the *New York Tribune*. Here was a force which cut athwart the traditional lines of sectionalism in the North. Associated from the first with abolitionism, it began to effect an entirely new realignment of policy on the public domain.

Meanwhile free grants in the form of "donations" to actual settlers upon the remoter frontiers of the republic encountered less and less opposition in Congress, though these as yet were in the nature of land bounties for services rendered or implied. The Florida Occupation Act of 1842 provided a quarter section of free land on almost exactly the conditions of occupancy and cultivation that found their way into the Homestead Act twenty years later. Like all complicated movements depending for success upon a wide variety of interests, the cause of free land accumulated support slowly, but retained it with remarkable tenacity. When the water begins to trickle over the dyke the deluge is at hand. Sooner or later the equilibrium of forces is destroyed in a flash and every barrier is swept away by the rising tide. By 1848 "Free Soilers" in convention in Buffalo were demanding "free grants to actual settlers". Bills passed the House year after year only to be thwarted by a recalcitrant senate. The free homestead would probably have been won in the end without the Civil War, but the Civil War transformed the

<sup>3</sup> Quoted in Stephenson, *op. cit.*, p. 109.

issue into an expedient which doomed the spread of slavery by ensuring to the North the mastery of the public domain.

The rising head of water was indicated by the successive measures for free homesteads introduced from time to time into Congress. From 1846 when two bills were introduced independently by McConnell of Alabama and Andrew Johnson of Tennessee, to 1852 when a homestead bill came for the first time to a serious vote in the House, the movement was slow and complicated by "graduation", "distribution", "pre-emption", and "donation". A committee of the Senate as late as 1850, with four men on it from the West and only one from the East, brought in a report as hostile to the principle of the free homestead as though it had been drafted by Henry Clay himself. Jealousy of northern expansion was already in evidence in the South, and the triumph of the South at the polls in that year marked the passing of the old alliances with the frontier. The land grant railways with their vast investments of northern capital, and the deluge of European immigration instinctively unsympathetic to the institutions of the South, soon threatened the balance of political power. "Of all the measures of legislation by which the abolitionists seek to accomplish the ruin of the South", wrote a southern editor, "the Homestead bill is, beyond comparison, the most iniquitous and most efficient for their evil purposes." "Most of the new settlers, who obtain homesteads", wrote another, "would be abolitionists whether they come from the North or from Europe. Better for us that these territories should remain a waste, a howling wilderness. . . . We prefer the neighbourhood of the wild Comanche to that of the black-hearted abolitionist."<sup>4</sup> By 1858 Andrew Johnson's advocacy had forced the issue of free homesteads beyond the bounds of conciliation or of compromise. It found a place instinctively in the programme of the new Republican party.

With the Kansas-Nebraska Bill of 1854, the free homestead and uncompromising abolitionism appeared together at one of the turning-points in the history of the republic. In the struggle between "slave" and "free", a homestead law would invite the whole world to settle there except the South. By 1859 there were but seven votes from the free states against a free-homestead bill in the House, and but five votes for it from the slave states. The Republican party voted for it 82 to 1. In 1860 it passed the Senate and was halted only by the veto of President Buchanan. The president's veto was the last salvo of the orthodox Hamiltonian doctrine on the

<sup>4</sup> Quoted in Stephenson, *op. cit.*, p. 155.



public domain: Congress had been authorized as trustee to "dispose of" the public domain, and no interpretation of such a trust could have "authorized such trustee to give away the fund entrusted to his care. No trustee . . . would venture to present such a plea in his defence."<sup>5</sup> Again in 1861 the bill was vetoed by Buchanan. The following year, May 20, 1862, Abraham Lincoln gave his approval and his signature to the Homestead Act—"an Act to secure homesteads to actual settlers on the public domain." "It was the third and most important step", says Donaldson,<sup>6</sup> "in the history of the public land system. Once adopted, no person could estimate its moral, social and political effects." By this time southern representatives had withdrawn altogether from Congress, and the Homestead Act stood revealed in its true bearing upon that momentous struggle.

#### 4. *The Homestead Act in the United States*

The contrast between this stormy measure in the United States and the peaceful introduction of the free homestead into Dominion Lands policy—by two years of experimental regulation by Order-in-Council, confirmed without a serious division by the Dominion Lands Act of 1872—extends in no small measure to function and operation as well as to historic origin.

The Homestead Act of 1862 was based naturally upon pre-emption, a practice with scarcely any counterpart at that stage in Canadian settlement: free entry was permitted to any quarter section which was "subject to pre-emption at one dollar and 25 cents per acre" upon payment of a nominal fee of ten dollars. Where the double minimum price of \$2.50 prevailed as in the sections alternating with railway land grants, entry was restricted to 80 acres—a restriction which remained in force until 1879. Patent was to issue only after five years of residence and cultivation, and no homestead could be seized for "any debt or debts contracted prior to the issuing of the patent therefor." No settler could "acquire title to more than one quarter section under the provisions of this act."—"Existing pre-emption rights" were to continue as before. The final clauses (section 8) of the statute authorized the settler at any time to commute his free-homestead rights to purchase by paying "the minimum price, or the price to which the same may have graduated"—a

<sup>5</sup> For Buchanan's reasons under nine headings see Thomas Donaldson, *The Public Domain* (Washington: 1884), pp. 342ff.

<sup>6</sup> *Op. cit.*, p. 332.

provision, as we shall see, which opened wide the door to fraudulent entry and speculation.

The fame of the free homestead has travelled so far beyond the borders of the United States that it has been regarded since 1865 as the staple of federal land policy. Opinion with regard to it in the United States has remained remarkably uniform and remarkably favourable. After Lincoln's death, President Johnson whose original promotion of the bill had not wavered "during sixteen years of "long and earnest resistance", maintained in 1865 that experience was already proving its wisdom. "The lands in the hands of industrious settlers, whose labour creates wealth and contributes to the public resources, are worth more to the United States than if they had been reserved as a solitude for future purchase." Donaldson whose monumental work on *The Public Domain*, published in 1880 and revised the following year, must have been familiar to Canadian legislators during the formative period of C. P. R. land grants and free-homestead legislation in Canada, added fifteen years of experience to President Johnson's:

Within the circle of a hundred years since the United States acquired the first of her public lands, the homestead act stands as the concentrated wisdom of legislation for settlement of the public lands. It protects the Government, it fills the States with homes, it builds up communities, and lessens the chances of social and civil disorder by giving ownership of the soil, in small tracts, to the occupants thereof. It was copied from no other nation's system. It was originally and distinctively American, and remains a monument to its originators.

Hibbard, whose useful manual on *Public Land Policies* commanded more than half a century of retrospect, still regarded the free homestead, with all its faults, as a conspicuous success. It strengthened democracy. It diffused wealth. It created a "land-owning, home-owning people" so long as land remained abundant and free. As a permanent solution, however, it was "a palliative, not a remedy". The free homestead of fifty years ago is now worth "several hundred dollars per acre" in many localities, and ownership has become too costly for agricultural operation. "Tenancy has passed the fifty per cent. mark in many counties in which homesteads were the order of the day in the seventies." The system proved unadaptable in its original form to semi-arid areas west of the hundredth meridian. These conditions have since been attacked by Enlarged Homestead Acts (in 1904, 1909, and 1910), by the Three-Year Homestead Act (1912), by the Stock-raising Homestead Act (1916), and other measures to cope with interests as divergent as grazing on the one

hand and irrigation on the other. In many instances the remedy came too late. The free-homestead system has not been proof against fraudulent manipulation. It has been exploited by the speculator and by the lumberman; by the butcher, the baker, the candlestick maker of every prairie town who could muster up a pretence of complying with the residence requirements of the Act. Yet "with all its shortcomings", adds Hibbard,

the Homestead Act clearly has more to its credit than any other one land act passed by the federal government. A million and a third homesteads have been taken up and carried to completion. Many failed to become farms, yet out of the number the majority remained the farm unit for some years. It was a means of peopling the wilderness, and while it was a short-sighted policy, leaving many land questions unsettled, the hope of their settlement in advance was entirely wanting. East of the hundredth meridian the Homestead was a success.<sup>7</sup>

Stephenson, who regards the homestead law as "a land-mark in American history"—"one of the most important bills of the Nineteenth Century"—commends the estimate of Lord Durham in attributing the amazing prosperity of the United States less "to their form of government, than to the unlimited supply of fertile lands, which maintains succeeding generations in an undiminished affluence of fertile soil." With the depletion of free lands "individualism in America faces a critical struggle against communism and socialism":

Had it not been for the policy of the federal government since 1840 of loosely following the principle that the public lands ought to be converted into private lands cultivated by the owners, the strong and wide-spread socialistic and communistic agitation of the three decades from 1830 to 1860 might have succeeded in altering the structure of American society.<sup>8</sup>

The function of free homesteads in the United States arose out of social and economic conditions which dwarf the Canadian experiment. It would be rash for a Canadian to generalize over so vast and complex a field, but it may be possible to hazard an estimate with regard to one or two features which have a bearing upon the Canadian practice.

(a) *Sectionalism and Federal Policy.* The value of the prodigious precedent in the United States for the Canadian problem is complicated by the historic differences of origin and application. The political and social background, as we have seen, was almost altogether different; and the sectionalism out of which the free homestead emerged in the United States, together with the political or national purposes which it was designed to serve at such a crisis,

<sup>7</sup> B. H. Hibbard, *A History of the Public Land Policies* (New York: 1924), p. 409.

<sup>8</sup> *Op. cit.*, p. 247.

distorted the merits of the system as a phase of land policy for normal "frontiers of settlement."

The merits of free land as a national policy were by no means universally conceded. To the end, the free homestead encountered the opposition of border states like Illinois, Indiana, and Iowa which had reason to expect that the next wave of migration to free land would pass them by. On the receding frontier its vogue was of course predominant. Unable to utilize the public domain as a fiscal resource themselves, they favoured as a second choice rapid settlement by taxable settlers; and the more capital the settler retained for local improvements the better for his farm and the better for the State. The interests of the squatter as against the speculator were paramount here. No price that was low enough for the one could be high enough to keep the other out. "The public lands of the United States", the Free Soil Party asserted in 1852, "belong to the people, and should not be sold to individuals nor granted to corporations, but should be held as a sacred trust for the benefit of the people, and should be granted in limited quantities, free of cost, to landless settlers."

This economic and political doctrine with its social corollaries in American history had little counterpart in Western Canada. Surveys and land policy, as a rule, moved far in advance of actual settlement. The free homestead was adopted from the first by a paternalistic government with an assertive national policy to vindicate; and it was supported, as we have seen, by a paternalistic railway. In due time "grangers" and "united farmers" appeared, and the attack upon the speculators and "monopolizers" began; but it was the federal government which insisted from the beginning upon the free-homestead system. In 1883 the Dominion refused to consider any transfer of the natural resources to provincial control "without exacting from the province the most ample securities that this pledged policy should be maintained." The free-homestead policy was cited by Sir Wilfrid Laurier in 1905 as the chief if not the only reason for retaining the public lands under federal control: the new provinces "under the strain of financial difficulties might abolish free homesteads." In 1916 Sir Robert Borden stipulated that even if the natural resources were to be returned to the Prairie Provinces, "provisions with respect to homesteading should be retained in force." The free homestead has been partially abrogated only by the provinces themselves with their first exercise of full provincial autonomy since 1930.

Thus the federal government which was the last to be convinced in the United States was not only convinced from the outset in Canada but insistent from beginning to end. The system which was bitterly opposed by certain land grant railways and vested interests in the United States was welcomed by the C. P. R. from the outset and became the basis of their land sales policy. While the support for the free homestead was no doubt general at one time in Western Canada, one looks in vain for the squatter on a militant frontier, seizing his own and holding it against all comers. There has been no counterpart in Canada to the labour movement in the industrialized East under Evans and his *Working Man's Advocate*, advocating free homesteads. Needless to add, there has been nothing like abolitionism to complicate the issue, and nothing like the Civil War at last to decide it. With such contrasts in political and social background, analogies in land policy are apt to be deceptive unless very discerningly applied.

(b) *Free Homesteads and Rapid Settlement.* Was the free-homestead system after 1862 responsible for rapid settlement in the public land states?<sup>9</sup> A comparison of the thirty-year period immediately preceding the Homestead Act (1832-1861) with that which followed its introduction (1868-1897), scarcely warrants a decided affirmative:<sup>10</sup>

PERIOD	AREA DISPOSED OF (acres)	AVERAGE PER YEAR (acres)
1832-1861.....	130,063,914.46	4,335,463.82
1868-1897 .....	141,339,016	4,711,300

Grants to corporations and to the public land states are not included in either period. The sales and pre-emptions for the thirty-year period 1832-1861 are thus more than 92 per cent. of free homesteads, cash sales, and pre-emptions combined for the period 1868-1897. (The intervening six years are omitted since patents for free homesteads could issue only five years after entry.) For thirty years before the Homestead Act the government sold an average of

<sup>9</sup> The following lines of comparisons and graphs were developed and prepared by Mr. R. G. Riddell for his M.A. thesis (1931) at the University of Toronto on *The Influence of United States Precedent upon Dominion Land Policy, 1870-1890*. Mr. Riddell afterwards held a fellowship with the "Canadian Frontiers of Settlement" Survey, and further acknowledgment of his valuable work will be found *passim* and in the Preface.

<sup>10</sup> Statistics compiled from Hibbard, *op. cit.*, pp. 103, 106, 113-115, 396-398.

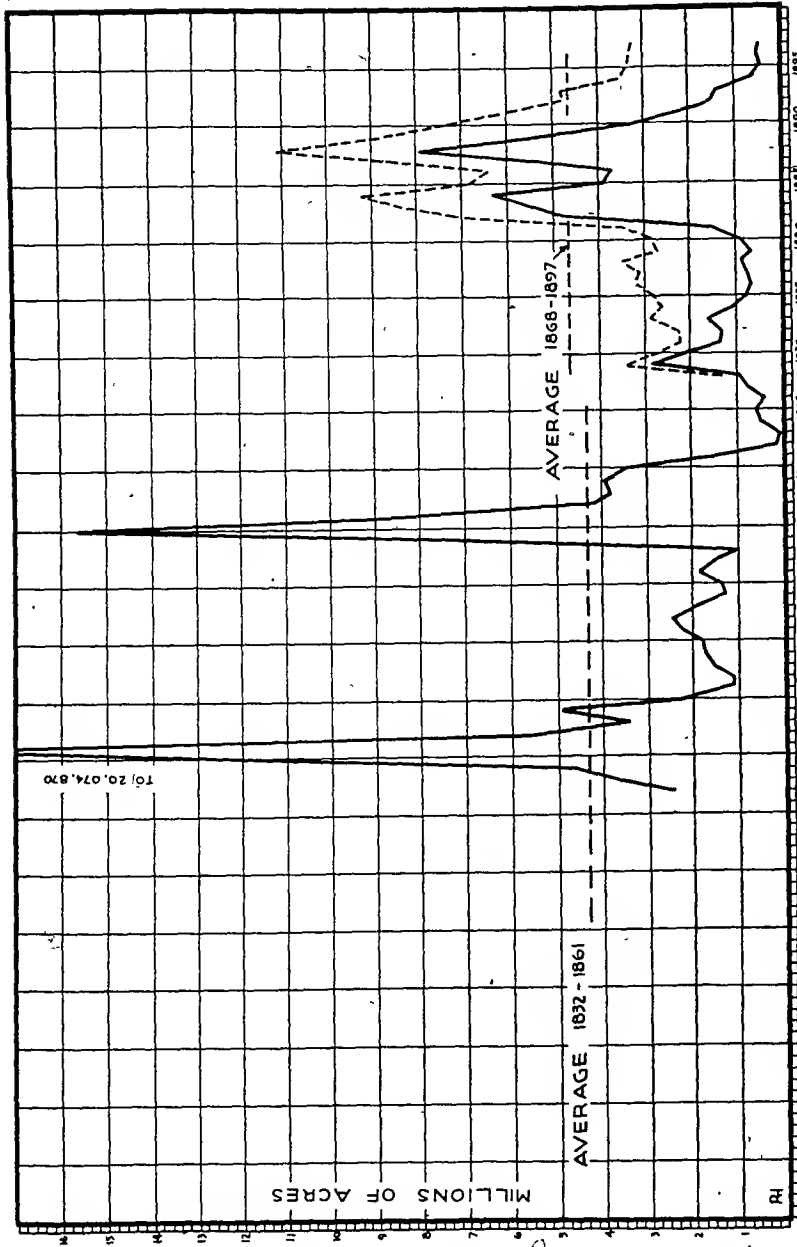


Fig. 22.—Graph showing the disposal of the public domain in the United States by cash sale and pre-emption only. The heavy unbroken line from 1832-1861 shows alienations by cash sale and pre-emption only. The broken line from 1868 to 1897 shows sales, pre-emptions and patented homesteads. The heavy unbroken line, indicating sales and pre-emptions only, is continued to 1897 in order to show the proportions attributable to sales and pre-emptions and to homesteads respectively during the later period from 1868 to 1897. Compiled from tables in Hibbard, B. H., *A History of the Public Land Policies*, pp 103, 106, 113ff, 396ff.

more than 4,335,000 acres per year. For thirty years after the Homestead Act the government disposed of 4,710,000 acres per year, but more than half was still sold and the rest was given away at a time when the transcontinental railways were offering unprecedented facilities for easy migration and transportation of frontier staples to world markets. Of the total acreage disposed of in the later period, more than 70,940,000 acres were disposed of by sale or pre-emption, and less than 70,400,000 acres in the form of free homesteads. While free homesteads averaged 2,346,568 acres per year, sales still averaged 2,364,732 acres. In addition to government sales, moreover, it is fair also to note that railway land grants in profusion and state "donations" were also upon the market. The total acreage sold by these agencies would be almost impossible to compute but it would be fair to assume that the excess of sales over free homesteads would be materially increased.

It would seem, however, that sales have been subject to wider fluctuations than free grants. From the graph (Fig. 22) it is seen that while the average for the second period is slightly higher, the two peak periods of migration in the middle thirties and the middle fifties surpass by far the peaks of 1884 and 1888. In both instances wide and rapid variations from year to year suggest the presence of factors far more significant than land policy in determining the ebb and flow of migration. In 1836 more than 20,000,000 acres of land were sold; five years later less than 1,175,000 acres. In 1855 more than 15,700,000 acres; six years later less than 1,500,000 acres. In 1880 the combined sales, pre-emptions, and free homesteads were about 2,750,000 acres; in 1884 over 9,250,000 acres; in 1888 over 11,000,000 acres, and in 1897 about 3,000,000 acres. Variations like these in the presence of land policies that remained for each period relatively stable are scarcely to be accounted for by any particular system of administration. Without attempting here too elaborate a thesis, it is safe to say that good and bad times, and certain basic factors of physiography, are more easily traceable than land policy in these recurring cycles of migration.

From the graph in Figure 23 representing gross receipts from land sales of the public domain for the century from 1795, the concurrence of "booms" with abounding land sales, on the one hand, and of periods of depression with stagnation in land sales on the other, seems too obvious to be a coincidence. The boom of the early thirties, the crash of 1837, the rapid expansion of the middle fifties, the depression which followed, the crash of the late seventies, the

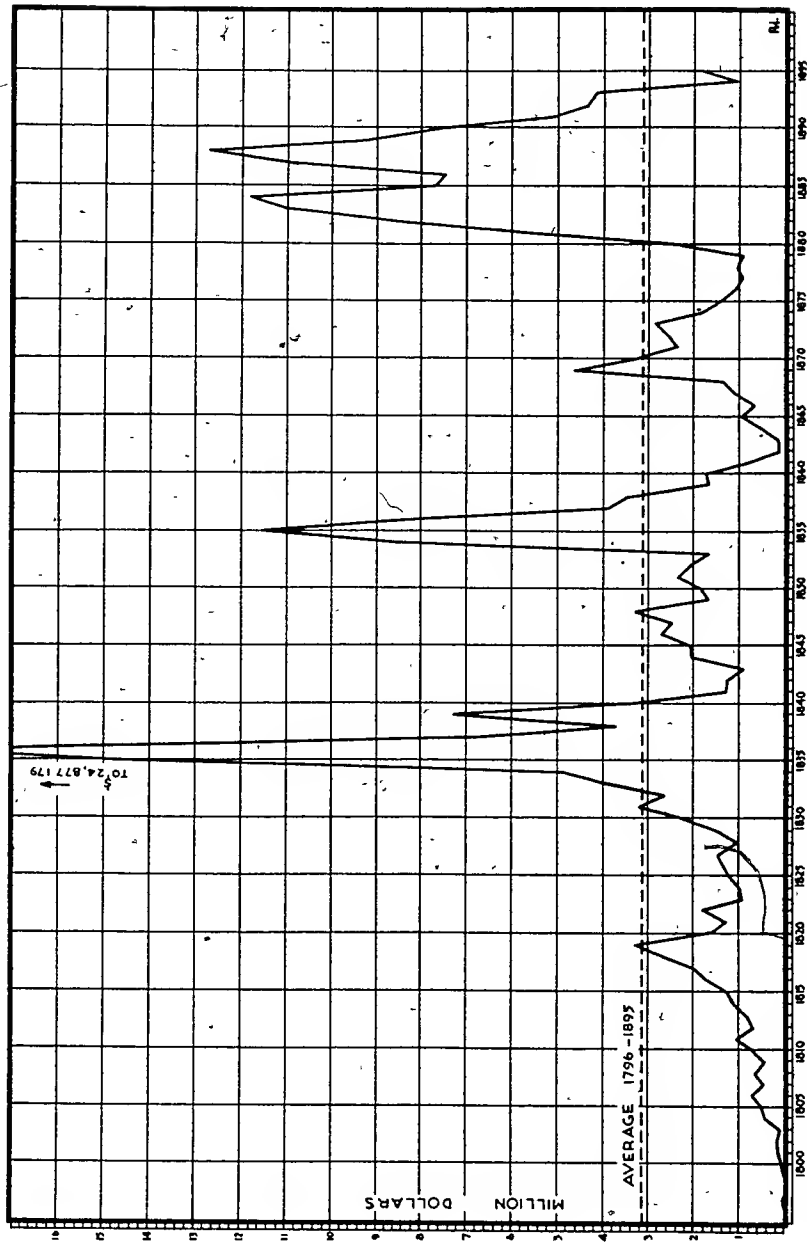


FIG. 23—Graph showing gross receipts from the disposal of the public domain of the United States, 1796-1895. Compiled from statistics in Donaldson, T., *The Public Domain*, p. 17 (1796-1880) and the *Reports of the Commissioner of the General Lands Office, 1881-1895*.



prolonged inflation of the eighties, the hard times of the middle nineties are all too clearly traceable in terms of land sales from the public domain. The general thesis already advanced tentatively in more than one passage of this survey would seem to be applicable here: world economic conditions—good and bad times—have had a profound effect upon large and sustained movements of population. The destination is usually determined by physiographical factors prevalent from time to time upon the receding “frontiers of settlement”. Against these two basic factors, local adjustments of price and policy, though effective within the range of any particular “frontier”, can scarcely be expected to prevail. Thus the adoption of the free-homestead system seems to have had no revolutionary effect either upon land revenues or upon acreage alienated. Free-homestead entries may have been somewhat less subject than land sales to violent fluctuations with good and bad times. During the period from 1876 to 1896, for instance, the acreage for patented homesteads (Figure 24) ranges almost invariably between 2,000,000, and 4,000,000 acres per year while sales fluctuate from 745,000 in 1875 to nearly 8,000,000 in 1888. This fluctuation would no doubt be accentuated if the vast areas offered for sale by the land grant railways and land companies were taken into account. In any event both sales and free homesteads respond to good and bad times with such range and regularity that one is inclined to look abroad for the decisive controls of mass settlement. There may be an “accepted time” for settlement in the physiography of every frontier, and once the hour has passed it may be relatively irretrievable. “Sell while the selling is good”, in the language of the street, is the language of land offices as well as counting-houses. Thus the land sales in Figure 24 for the early seventies, for the eighties, and again for much of the first decade at the turn of the century, surpass almost invariably the free homesteads. So also perhaps during the depressions, land sales lag behind the free homesteads, though the “lag” between entry and patent in the free homestead itself makes direct comparison difficult upon that basis. The violent upward swing in homesteads from 1913 to 1920 may be traceable, as we shall see,<sup>11</sup> not only to war prices for wheat but to the change in residence requirements (1912) from five to three years, which enabled the speculative homesteader who normally resorted to pre-emption for a quick turnover, to effect his purpose without purchase by the exercise of a little more patience. If original entries instead

<sup>11</sup> See below: pp. 378f.

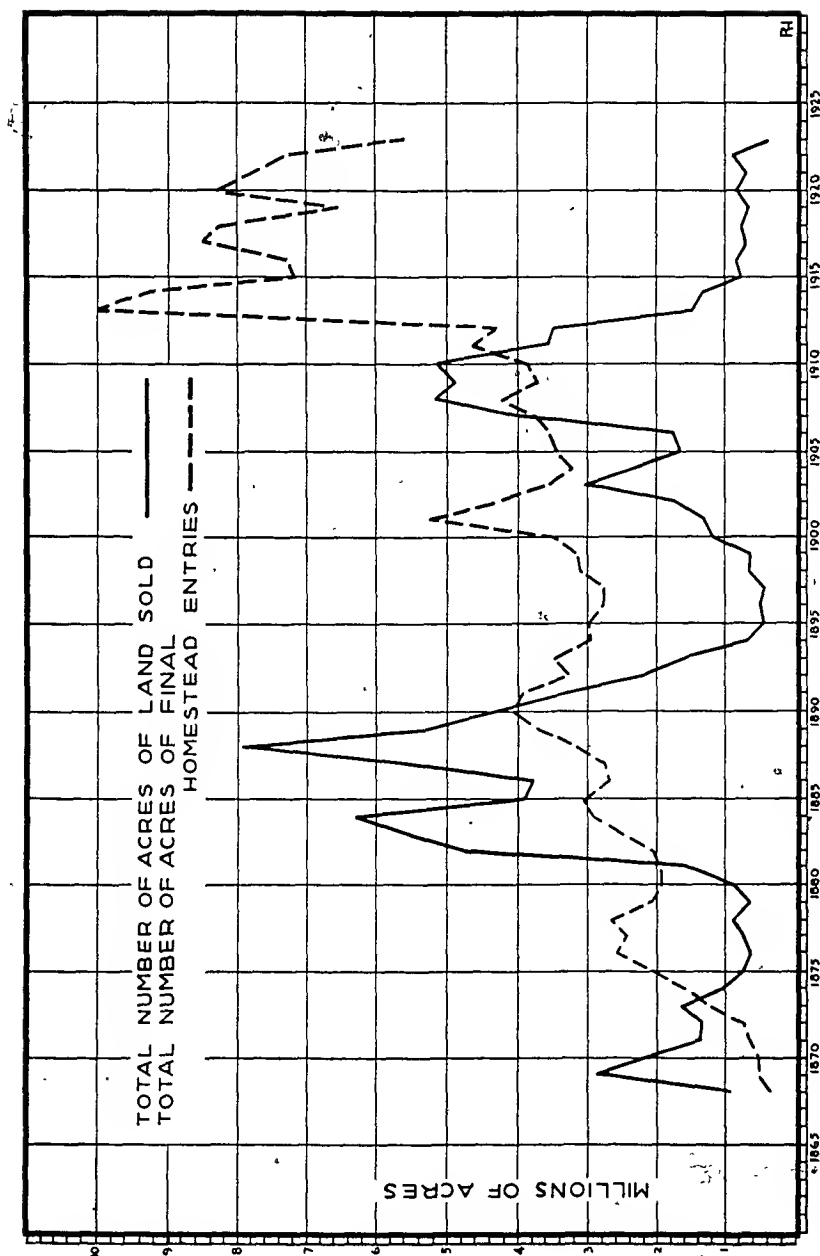


FIG. 24—Graph showing the disposal of the public domain of the United States by sale (heavy unbroken line) and patented homestead (broken line) from 1868-1923. The fact that homesteads could be patented only five years after entry, and might not necessarily be patented even then for several years after the residence requirements, etc., had been duly "proved", makes comparison between land sales and patented homesteads inconclusive. Compiled from tables in Hibbard, B. H., *A History of the Public Land Policies*, pp. 113ff, 396ff.

of patents be used for comparison, the concurrent rise and fall is equally pronounced without the "lag" between entry and patent for free homesteads. It would be rash to generalize dogmatically upon evidence of this nature, but it would seem that in good times and under favourable physiographical conditions lands may fairly be settled (under equally good administration for each) almost as expeditiously by sale as by a policy of free homesteads.

It is fair to add, however, that much of the acreage sold on all but the remote frontiers of settlement must have been sold to settlers already established, and must represent, therefore, not the rapidity of new settlement but the growing prosperity of the old. In Canada, as we have seen, the railways relied systematically upon this technique for the sale of their land grants, though subsequent land companies developed a new technique of land sales for new settlers also; in sub-humid areas where the half section or more became the most profitable unit of production.

(c) *Free Homesteads and Population.* Measured by the census returns a *prima facie* case could be made for the free homestead as an inducement to rapid and permanent settlement, but the validity of the argument is still impaired by obvious defects and qualifications.

From 1830 to 1860 the population of the United States increased by more than 18,500,000; from 1860 to 1890, after the Homestead Act, the increase was 31,504,393. In the border frontier states of Ohio, Indiana, Illinois, Michigan, and Wisconsin the increase from 1830 to 1860 was 5,456,866; from 1860 to 1890 it was 6,551,421. While the absolute increase after the Homestead Act was the greater by nearly a million, the relative increase was far less; and the single decade of most rapid growth was just before the Homestead Act. From 1850 to 1860, the golden age of the Illinois Central, the population increased by more than 2,400,000, or more than 53 per cent. in a single decade. For the whole thirty-year period 1830-1860 before the Homestead Act the increase was more than 370 per cent.

For the states beyond—Iowa, Minnesota, Missouri, the Dakotas, Nebraska, and Kansas—the increase from 1830 to 1860 was a little over 2,000,000; from 1860 to 1890 it was over 6,750,000, with an increase of more than 2,750,000 during the eighties. How much of this went to free homesteads, how much to federal lands bought from the public domain, and how much to lands bought from land grant railways and state "donations", it would be impossible to say. By 1881 the total area granted by Congress to states and railway companies for sale had reached the vast total of more than 292,-

375,000 acres,<sup>12</sup> and the railways alone had sold over 15,000,000 acres, with the sales of most of the railways "not reported".<sup>13</sup> Much of this acreage also, it is true, may indicate an increase not of population but of prosperity: the first investment of the prosperous homesteader may have been to buy the adjoining quarter section from the railway. In any event it was still hard to distinguish the operation of the free-homestead policy in the United States from the sales policy which preceded and accompanied it. More land by far had been disposed of by sale or for sale than in the form of free homesteads.

(d) *Free Homesteads and Speculation.* One of the avowed purposes of the free-homestead system was the elimination of the "land grabber" and the speculator, and the distribution of the public domain to permanent settlers. For a decade and a half an abundance of free land in comparatively humid areas left the railways and land companies at a disadvantage in the search for eligible purchasers. The restriction, until 1879, of the homestead to 80 acres in the railway belt hastened the sale of the adjoining eighth-section by the railway in humid districts but tended to prevent settlement altogether in sub-humid areas where the half section was becoming recognized as the normal unit of production. The accumulation of larger holdings, however, was a relatively easy process. Pre-emption enabled the prospective homesteader in the United States to buy a quarter section outright at \$1.25 or \$2.50 per acre, payable if he chose in six months. Entry could then be made for a homestead which could be "commuted" to another pre-emption, and purchased at the end of six (eventually fourteen) months. Special legislation like the "timber culture" laws enabled the homesteader to add a third quarter section under obligations which were all too frequently evaded or ignored. Regulations like these could scarcely be made

<sup>12</sup> Computed by Mr. Riddell as follows.

	(acres)
State selections. . . . .	7,806,554
Canals. . . . .	4,424,073
Wagon roads . . . . .	1,301,040
Railroads . . . . .	155,504,994
Saline lands . . . . .	559,965
Swamp lands . . . . .	51,952,196
School lands . . . . .	67,893,919
University lands . . . . .	1,165,520
Agricultural and Mechanical Colleges . . . . .	1,770,000

Donaldson, *op. cit.*, pp. 218, 222, 228ff., 255, 258, 260, 273.

<sup>13</sup> Donaldson, *op. cit.*, p. 783.

proof against fraudulent manipulation at the hands of the resourceful speculator.

In truth the homestead bill had been vetoed by President Buchanan in 1860 and 1861 because among other reasons it would "open one vast field for speculation. . . . Large numbers of actual settlers will be carried out by capitalists upon agreements to give them half of the land for the improvement of the other half." The final section of the Act permitting commutation to purchase "at any time"<sup>14</sup> under "graduation" or "pre-emption" was a direct incentive to systematic exploitation. Advance guards of fictitious homesteaders were enlisted to commute their holdings and turn them over to acquisitive land companies. A homesteader might legitimately wish to commute his free-homestead rights to purchase in order to secure title for the purpose of mortgaging his farm; but the average genuine homesteader, intent upon permanent settlement, would scarcely buy his quarter section when he would be getting it in any event for nothing. If "commutations", therefore, are to be taken as a fair index to the speculation and other abuses that accompanied the Act, the statistics are suggestive. Up to 1880 fewer than 4 per cent. of homesteaders commuted to purchase.<sup>15</sup> Thereafter commutations increased until for the period 1881 to 1904 they amounted to 22,000,000 out of 96,000,000 acres, or about 23 per cent. of patented homesteads. By 1913 they had become about 40 per cent. In North Dakota by 1903 they had reached 60 per cent.; for the decade from 1900 about 5,781,000 acres were commuted and 5,614,000 acres patented as homesteads. An expert of the Land Office reported in 1904 that by "actual inspection of hundreds of commuted homesteads" it had been shown that "not one in a hundred is ever occupied as a home after commutation." The commuters were "usually merchants, professional people, school teachers, clerks, journeymen working at trades, cow punchers, or sheep herders. Generally these lands are sold immediately after final proof."<sup>16</sup>

The Canadian regulations, as we shall see, were open to similar abuses, and the reduction of the residence requirements in the United States in 1912 to three years (as in Canada) suddenly reduced the number of commutations by 75 per cent. without, in all probability, reducing either the general tendencies or the real

<sup>14</sup> In subsequent amendments, after six and eventually fourteen months residence.

<sup>15</sup> Donaldson, *op. cit.*, p. 350.

<sup>16</sup> Quoted in Hibbard, *op. cit.*, p. 389. See also pp. 386ff.

abuses. The free-homestead system was being perverted to build up larger and larger holdings: the spurious homesteader who aided and abetted the process was finding it profitable to get his quarter section free after three years residence rather than commute to purchase after fourteen months.

The net results of the system for the United States would be even more difficult to estimate than for Canada. Fortunately it is unnecessary here perhaps to make the attempt. So many factors are foreign to the Canadian experiment that it is not easy to reduce the problem to the same terms. The popular movement for free land led by Free Soilers and Land Reformers; the vanguard of squatters swarming into the wilderness on every frontier of the republic; the desperate sectionalism which perverted the issue; the historic origins of the Act itself in the midst of civil war; the complications of "pre-emption", "graduation", "commutation", and other features of the free-homestead system itself; the vast complexity of interests involved in the land grant railways and speculative land companies; all these are distinctive of the United States. One thing at least was common to both; a physiographical setting in the hinterlands of North America which could not fail to bring their respective land policies into juxtaposition. Upon Canada the influence of American policy will be seen, in one form or another, at almost every point. The influence too of Canadian policy upon the United States has been far from negligible. During the first serious assault upon the orthodox doctrine of the public domain, early free grants in Canada were cited in favour of cheap land. During the first decade of the twentieth century the propaganda of Canadian land companies and the exodus into Canada from the Western States were only too well known in the United States. The Dominion Lands Act was printed for the edification of Congress, and the reduction in the free-homestead residence requirements from five to three years was directly due to Canadian competition.

These rivalries in land policy may not always reflect the basic rivalries in physiography from stage to stage of frontier settlement, but they are nearer as a rule to physiography than to politics. The very soil has drifted to and fro across the boundary during the dust storms of recent years. The rivalries of the middle west with the eastern states, of the West North Central states with the West North Central group, of the sub-humid western states and Canada with the East North Central states, have been recurring features of a receding frontier. These may be accentuated, as we have seen, by

historic political factors, but they can seldom escape, in the end, the more subtle controls of climate and geology which the geographer is apt to regard as the dominant factors of human history.

## CHAPTER VIII

### THE FREE-HOMESTEAD SYSTEM: THE BRITISH PROVINCES

#### *1. Contrasts and Complications*

THE analogies and contrasts outlined at the beginning of the last chapter as a background of American influence on the British provinces, must be set in the foreground in tracing provincial land policy and its influence upon federal policy for Dominion Lands after 1870.

The stages of land administration through which both the United States and the British provinces passed before resorting to the common practice of free homesteads correspond almost exactly, as we have seen, in point of time, and differ, usually with deliberate intent, in point of policy.

The British provinces began with lavish free grants at a time when the United States was putting into practice the most elaborate sales system ever devised on such a scale. The public domain was to be a fiscal resource of the union, a collateral security of the first order for the national solvency of the republic. The second stage in the British provinces began as early as 1826 with an attempt to terminate the orgy of free grants and to introduce an orderly policy of settlement based upon land sales. It is curious to find these tendencies at work in British North America at a time when the federalist doctrine of the public domain was just beginning its losing conflict with the frontier. Benton's first "graduation" bill was introduced in 1826; and by the time Wakefield and Durham and Sydenham were seriously emulating the United States, the republic was on the march to a new and revolutionary technique across the continent. The simultaneous movement for free land in both countries terminated about the same time and in the same way; but though the free-homestead system was common to both, the methods and the motives were by no means the same. During the era of Dominion Lands which followed in Canada, the Dominion violated both the spirit and the letter of provincial control embodied in the original federation in order to practise for sixty years a system of administration more direct and consciously national than anything in the



United States since the Civil War. The return of the public lands to provincial control in 1930 with compensation for lands alienated "for the purposes of the Dominion", and the fact that the free-homestead system has since been partially abrogated by the Prairie Provinces, may be said to confirm both the federal origin and the federal function of the free homestead as the staple of Dominion policy.

One additional complication is to be found in Canadian policy in 1870. The provinces which federated in 1867 and retained their own lands as a basic provision of the B.N.A. Act of 1867, had themselves been following, for more than a century, land policies which British administration had tried in vain to coördinate and control. In all of them free grants had been familiar features of their early history. The prevailing temper, to be sure, had been aristocratic privilege rather than democratic principle. But "lands to actual settlers" had long been a maxim of reform, and in that sense the free homestead was a return to a familiar practice rather than the introduction of a revolutionary principle into the administration of public lands.

## 2. *The Maritime Provinces*

Land policies in the three Maritime Provinces before Confederation were so divergent that a common approach to the free homestead about 1870 was in itself a remarkable circumstance.

Prince Edward Island which was still outside Confederation when the first Dominion Lands Act was passed, was still a proprietary province like Maryland or Pennsylvania before the Revolution. One of the conditions of entry into federation in 1873 was the settlement of the "land question". The Dominion compensated the new province for the lack of land revenue, and advanced to the Island government the capital to buy out the absentee proprietors under the Land Purchase Act of 1875, in order to transfer the land to actual occupants. Free homesteads were no longer feasible in Prince Edward Island, but the spirit of "land reform" after the middle of the nineteenth century was perhaps as near an approach as one can find on British soil to the uncompromising and acquisitive temper of the American frontier.

New Brunswick, after lavish free grants to the Loyalists, had been the first of the British provinces to secure for its own Assembly in 1836 the control of land revenues and land policy. There as in the Canadas there had been an attempt to substitute an orderly sales

policy for the lavish free grants of earlier years. The New Brunswick and Nova Scotia Land Company which had purchased in 1831 a tract of more than half a million acres was still in operation at the time of Confederation. The temper of the land reforms of 1836 was definitely hostile to the big land companies, but by 1842 a sales policy had been adopted which continued almost unchanged for a whole generation. All lands were to be sold "by public Auction, except Sales under the Labour Act", which like the colonization road grants in Canada West were in the nature of bounties rather than free grants. A Commutation Act in 1849 (12 Vict., c.19) enabled purchasers in default for certain instalments on land sales to discharge their debt by work upon the public roads of the province. A Labour Act of the same year (12 Vict., c.4) applied a similar principle to new sales of 100 acre lots, but the regulations invited such abuses that prosecutions became necessary for "wilful and corrupt perjury": grants were regularly sought, as a Committee of the Assembly reported in 1861, "not for the purpose of settlement but in order, under cover of the Act, to strip the land of lumber." Up to 1869 nearly five-eighths of the applicants under the Labour Act had either abandoned or otherwise lost their holdings, though the Act with modifications continued in force until 1927.

It was not until 1872, the year of the first Dominion Lands Act, that the Free Grant Act (35 Vict., c.17) authorized free grants of 100 acres (200 acres to married men with two or more children) in selected areas, with homestead and residence requirements for three years, and with cash bonuses for the clearing of lands. In 1879, the year of another notable Dominion Lands Act, cash bonuses for clearing were replaced again by expenditures on public roads. Of 610,108 acres granted from 1878 to 1898, less than 63,000 acres or about 10 per cent. were sold by auction or otherwise. Public lands policy, meanwhile, was in reality a lumber policy, with buoyant revenues derived from stumpage and other dues. It is clear that the free homestead in New Brunswick had little in common with the free-homestead policy of the era of Dominion Lands in Western Canada. The Canadian policy, as we have seen, was intended from the first to serve one of the chief national "purposes of the Dominion" in retaining the public lands under federal control,<sup>1</sup> and in due time the Prairie Provinces received compensation for homestead lands in the settlement of the "Natural Resources Question".

In Nova Scotia a similar transition was taking place from free

<sup>1</sup> See above, Chapter II.

grants during the early settlement of the province to an attempt at orderly sales during the twenties, and finally a return on a small scale to free homesteads during the early seventies.

For the pre-revolutionary settlement from New England the normal provision was the free grant, often in blocks of land which found their way into the hands of the speculator. The escheat of uncultivated areas in order to provide free grants for actual settlement was one of the features of land policy during the loyalist migration.

In 1826 a sales policy was at last attempted, but the new system, as Murdock notes, made "little difference". So much land had already been alienated by free grant that private purchase was frequently cheaper than the old expenses of survey and fees for a free grant. In 1843 the upset price was fixed at one shilling and nine pence per acre (6 Vic., c.45), reduced in 1847, (10 Vict., c.61) to one shilling per acre, and restored again to one shilling and nine pence in 1851, with provision in 1864 for expending the purchase price "in opening such roads as may be required for the formation or improvement of the settlement." By 1870 it was conceded that "no large blocks of ungranted land suitable for agriculture remain in the province."

The revised Land Act still provided that "the price of Crown Lands granted for agricultural purposes shall be 44 cents an acre", but the sales policy was now combined for the first time with a policy of free homesteads in selected areas of the province on the principle of "free grants to actual settlers". The free grants were limited to 100 acres with residence requirements of five years. In 1872 there were but thirty applications for free homesteads, and fewer still in 1873. By 1875 the usefulness of the Homestead Act was less obvious than the abuses which had appeared under its provisions. Entries were made for free grants in order "to cull them of timber immediately and eventually to evade the Act." The Act was finally repealed in 1877 (40 Vict., c.16). In Nova Scotia as in New Brunswick, therefore, the practice of free homesteads had no distinctive effect upon federal policy. In any event the opposition of the province, during these critical years, to Confederation itself must have impaired its influence in the counsels of the Dominion. The transfer of Rupert's Land to the Dominion, it is true, took place under a Nova Scotian Secretary of State—the Hon. Joseph Howe who closed his stormy career in his native province by making his peace with the new Dominion. The first Lieut.-Governor of the

new Province of Manitoba, too, was a Nova Scotian; and it was Adams G. Archibald's report, as we shall see, which formed the basis of the free-homestead regulations in the Orders-in-Council of March 1 and April 25, 1871. Archibald's inspiration, however, came avowedly not from his native province but from the United States—"the most practical people in the world" who had colonized "the lands of half a continent" and had brought "70 years' experience" to the task of administering the public domain.

### 3. *Land Policy in the Canadas*

The Maritime Provinces which had been a frontier of New England in colonial days retained their contacts with the United States after the Revolution; but the contacts were remote and insignificant, and the states themselves were in many respects the most conservative in the union. In the Canadas on the other hand the contacts were close and inescapable: with "up-state New York" when the frontier began its westward march, and with the East North Central group of states in the middle west as the movement gained direction and momentum. In the Canadas as in the middle west the issue of cheap or free lands was already under discussion upon its merits when the Homestead Act of the United States made a similar policy for the new Dominion almost inevitable.<sup>2</sup>

From the days of Simcoe the same profusion of free grants which prevailed in other British provinces had brought the land administration of Upper Canada to the chaos outlined in the classic pages of Durham's *Report*. Much of this was a studied departure from the federal land policy of the new republic. To Simcoe the loyalist temper which survived the Revolution, as he thought, on both sides of the boundary was vital enough to found a new American empire. With great sagacity he jettisoned many of his prepossessions with regard to land settlement. From the inertia of Dundas in the Colonial Office in whose mind the great landed estate was still the staple of official policy, Simcoe turned with energy to a more vigorous technique. Upper Canada lay upon the greatest waterway to

<sup>2</sup> For land policy in the Canadas, I wish to acknowledge my indebtedness to a wide variety of sources. Lucas's edition of Durham's *Report*, Vol. III is invaluable. G. C. Paterson's "Land Settlement in Upper Canada" in the *Report of the Ontario Archives* for 1920 is a most useful handbook. For the period from 1840 to Confederation, H. M. Morrison, who held one of the fellowships awarded in connection with the present survey, has done by far the most careful and detailed research. See his doctoral thesis in the Clark University Library, and a very useful article on "The Background of the Free Land Homestead Law of 1872" in the *Report of the Can. Hist. Assoc.* for 1935, pp. 58-66.

I have attempted here, however, to emphasize not the provincial but the distinctive federal origins of the free-homestead policy for Dominion Lands. These came into existence only with the transfer of Rupert's Land in 1870, and the system remained for sixty years a cardinal feature of national policy.

the hinterlands of the continent, where agricultural settlement must eventually supplant the lucrative but obstructive tendencies of the fur trade. Concentrating upon the 200 acre free grant as a staple of land policy, Simcoe issued proclamations which found their way as far afield as the West Indies and served a useful function of propaganda in the United States. For pioneers Simcoe turned to the enterprising frontiersmen of the old colonies; and his faith was soon vindicated in the profusion of free 200 acre grants made under "magistrate's certificates" and the seven local Land Boards of the new province. Simcoe's growing opposition to large grants and his preference for the 200 acre free grant to American settlers as the staple of land policy—a curious variation upon Canadian traditions with regard to that doughty loyalist—might have developed into a free-homestead system nearly two generations before the great Homestead Act of 1862 in the United States. The stream of subsequent American immigration into the western districts of Upper Canada until the War of 1812 may not have been a vindication of Simcoe's political sagacity or indeed of his land policy at all. But for a time at least the physiographical and economic factors were favourable, and the tide ran north towards the Precambrian shield before moving westward in tidal proportions over the prairies of the middle west.

It is doubtful whether the lavish policy of free grants did not in the end check and impair rather than improve these advantages. Grants had been made not with orderly generosity to actual settlers but with a combination of profusion and niggardliness which newcomers could not be expected to understand. There had been grants of 5,000 acres to retired field officers and 50 acres to retired privates. There had been grants of 200 acres to children of registered United Empire Loyalists; gratuitous grants to Councillors; grants of varying size and value to friends of the administration, until one administrator (as the Lieut.-Governor himself afterwards charged) "would have granted lands to the devil and all his family . . . provided they could have paid the fees." When fees became a hardship there were grants to surveyors in lieu of fees until surveyors' scrip was a recognized category of land for private purchase and speculation. There were grants under the notorious technique of "leader" and "associates" until resourceful manipulators under the guise of settlement accumulated a wilderness of potential estates for themselves. The grant of 1,200 acres each to the "leader" and his "associates" was accompanied by adjoining reservations for pros-

pective settlers; but in the end the "leader" whose influence with the Land Board was paramount sometimes received not only his own quota but by collusion that of his "associates"; while active settlement was left to await the piecemeal success of the speculation. A single "leader" in Lower Canada accumulated more than 40,000 acres. The Land Board granted more than 1,425,000 acres to sixty individuals.

In Upper Canada the practice was less predatory, and several valiant attempts were made at colonization. The Talbot settlement and later on the Canada Company were conspicuously successful. During a lifetime of exemplary energy and resourcefulness Colonel Talbot purveyed more than 300,000 acres to more than 30,000 settlers. The Canada Company in 1824 undertook the purchase of more than 1,300,000 acres of Crown Reserves and more than 800,000 acres of Clergy Reserves afterwards commuted for the block of 1,000,000 acres in the "Huron Tract". Within a decade the Company was selling (1833) nearly 60 per cent. as much land as the government itself from the Crown Lands, Clergy Reserves and Indian Lands of the province. But as early as 1817 Lieut.-Governor Gore himself could deplore the folly of gratuitous grants. Already it was "too late to afford a remedy for the past".

Maitland, with all his faults, struggled manfully to liquidate the free grants and to inaugurate in 1826 a sales policy by auction with liberal provision for payment by instalments. Ten years later even this moderate reform had proved vulnerable to the same abuses. Long credit facilities encouraged speculation and invited systematic exploitation by the lumberman whose confederates cut the timber, defaulted on their payments, and left the land a wilderness. Meanwhile the claims still outstanding for the free-grant period swamped every attempt to recover an even keel. In vain the Colonial Secretary directed cash payments for land sales in 1837. From the Maitland reforms in 1826 to the Durham mission scarcely more than 100,000 acres were sold, while claims for 2,000,000 acres from the free-grant period still remained to be liquidated. Durham found that nine-tenths of all the alienated lands in Upper Canada were still unoccupied. Of more than 13,600,000 acres surveyed, less than 1,150,000 remained at the disposal of the Crown. In Lower Canada the prospects were scarcely less forbidding. Of more than 14,400,000 acres surveyed, scarcely 3,500,000 acres remained unalienated, yet nineteen-twentieths of the whole surveyed area of the province remained unsettled.

The curse of the free-grant system was not the want of good land—there was plenty of it still in Upper Canada—but its inaccessibility in the hands of the “land poor” speculator. Greed had not only defeated itself but destroyed the power of the government to apply the remedy: there were no eligible Crown Lands left for the encouragement of systematic land settlement. The prospective settler instead of encountering an orderly system of land administration, uniform in its application, simple and accurate in its operation, and with the whole unsettled area of the province at its disposal, found confusion and greed on every hand. Against this dismal background and with admiration enhanced by distance, Durham set the traditional administration of the public domain in the United States:

It is uniform throughout the vast federation; it is unchangeable save by Congress, and has never been materially altered; it renders the acquisition of new land easy, and yet, by means of price, restricts appropriation to the actual wants of the settler. . . . That system has promoted an amount of immigration and settlement of which the history of the world affords no other example. It has produced to the United States a revenue which has averaged about half a million sterling per annum, and has amounted in one twelvemonth to over four millions sterling, or more than the whole expenditure of the Federal Government.

This indiscriminate admiration, as we have noted already, was scarcely confirmed by the contemporary debates in Congress. The assault upon the old order was already under way in the United States when Lord Sydenham began his administration of the Canadas by an attempt to reinforce the sales system by stringent regulations.

The cross-ruffle to and fro over the boundary between free grants and land sales continued during the one serious attempt in the old Province of “Canada” to make the Wakefield system work. Sydenham’s Land Act of 1841 began with the assertive announcement that “no free grants shall be made of any of the Public Lands of this Province.” But Wakefield himself had been ready to concede that British American land policies “must necessarily be governed by those of the United States.” No attempt to enforce a strictly cash system of land sales or to exact a “sufficient price” could be expected to compete with superior economic or physiographical attractions elsewhere. Sydenham himself was forced to offer free 50 acre grants for the development of colonization roads after the fashion of the “donations” and special bounty grants upon the frontiers of the United States. But while this was a compromise in practice it was still regarded in both countries as orthodox in principle. It was a

special bounty rather than a staple of land policy. The truth was that Canada West had squandered its birthright. Whatever resources of eligible lands remained in the hands of the speculator, the province itself was wellnigh bankrupt. The Commissioner of Crown Lands wrote in 1851 that "the supply of Crown Lands for settlement is now exhausted". Meanwhile continental migration in the United States was breaking through to the prairies of the middle west. Competition with the United States had to reach national proportions before westward expansion and free land—a Canadian prairie and a "prairie fever" of its own—appeared together upon the political horizon. The solution was to be found not in provincial policy but in a national federation charged with the sovereign task of settling an empire of Dominion Lands in the West.

Viewing this movement in retrospect one is inclined to doubt how far any land policy for the Canadas could have deflected the tide of migration or counteracted the ground-swell from one of the most remarkable movements of population in modern history; or indeed whether policy at all, even in the United States, was primarily responsible for its direction and momentum. For the East North Central group of states in closest contact with Canada West—Ohio, Indiana, Illinois, Michigan, and Wisconsin—the period of most rapid development, as we have seen, was not the decade after but the decade before the Homestead Act of 1862. Had the chaos of free grants in the hands of improvident speculators remained at the disposal of the government for orderly and systematic administration, it seems possible that both the quality and the quantity of accessible land in Canada West might have enabled the province to hold its own for another decade. The factors which usually determine great movements of population may not be controllable by land policy, but assuredly they may be enhanced or impaired by it. In the Canadas the accumulated defects of both systems were only too apparent. *Pari passu* with the movement for free homesteads in the United States but fortunately without the civil conflict which finally brought it to pass, a frontier movement for westward expansion and cheap land grew up in Canada West under the auspices of the Clear Grit party. During the Civil War in the United States these two issues were fused into a national necessity, conceded by both parties and sponsored by the coalition between them.

In 1856 the Clear Grits had advocated the annexation of Rupert's Land to the old Province of Canada: by 1864 it was clear to both parties that a national emergency was upon them and that it could



be met by nothing less than the resources and resourcefulness of all sections of British North America. The transfer of Rupert's Land and the federal control of Dominion Lands were the first corollaries of Confederation itself. Against this background the free-homestead system for Western Canada was much more than the piecemeal surrender of a sales policy in the constituent provinces of the Dominion, and the adaptation of these provincial policies to the West. In the context of that day—the "great coalition" in 1864, federation in 1867, westward expansion to the Pacific in 1870 and 1871, the first project of a transcontinental railway in 1872—a system of federal administration for Dominion Lands and a policy of free homesteads to occupy and hold them assumed the proportions of a national necessity.

#### 4. *Free Homesteads and Dominion Lands*

This process has already been outlined in tracing briefly the transfer of Rupert's Land and the North-Western Territory to the new Dominion in 1870.<sup>3</sup> The transition from frontier sectionalism to a transcontinental outlook took place within the space of a single decade.

The western wing of the Clear Grit party which assembled in convention in Toronto in 1859 was perhaps the nearest approach in Canadian history to the temper and spirit of "Jacksonian democracy" in the United States. A ground-swell from the earlier movement was still traceable across the boundary. But the chief problems were indigenous, and in the end the solution was sought in policies that were belligerently Canadian.

In the covenanting temper of George Brown and the *Toronto Globe* the problem of westward expansion was reduced to a national philosophy. Few of his opponents could afford to forgo the dictates of a narrower expediency. By 1860 the Grand Trunk was upon the brink of insolvency, and Watkin was obsessed with the necessity of building the Intercolonial eastward to the Maritime Provinces. Macdonald, Cartier, and Cauchon, obsessed with the dangers of "rep. by pop." to the prospects of their party, saw in westward expansion not only a political accession to their adversaries but a risk of overstraining and exhausting the resources of the province. For the present the West could be left to a reorganized Hudson's Bay Company (1863) under the adroit governorship of Sir Edmund

<sup>3</sup> See Chapter II.

Head. Even the Rouges of Canada East and the eastern section of the Clear Grits distrusted the aggressive frontier spirit of their western allies, and pleaded their economic dependence upon Montreal and the St. Lawrence. The western wing of the Clear Grits urged at any cost a simple dissolution of the Union. Dependent economically upon New York and the Erie Canal rather than the St. Lawrence, they faced the "inclined plane towards the United States" without dismay and some of them, it is now known, with secret hopes of annexation.

Beset by these conflicting counsels George Brown, above every other advocate of his party, saw hope and safety in westward expansion. One desideratum, greater than "rep. by pop." and greater than an emancipated frontier, took on a sinister and menacing aspect during the Civil War. Strained relations with the United States left the British provinces vulnerable at every point. In George Brown's philosophy Canada West must still retain at any cost its association with the St. Lawrence. The dissolution of the Canadian Union was inevitable, but federation in some form, westward expansion, and rapid settlement were matters of national salvation. Even for the Canadas, hemmed in to the north by the Precambrian shield and exposed on the south to the erosive stream of migration by way of the St. Lawrence and the Grand Trunk itself to the rich prairies of the middle west, the only hope was to leap the Laurentian barrier, utilize the Great Lakes, and reach the illimitable prairies of Rupert's Land. Far from being impoverished by the process, the East would thrive with the West—"grow with its growth and strengthen with its strength"—as the middle western states were already responding to the growth of the prairies beyond. Nothing but a "national destiny" could now meet the needs of the British provinces.

In the views of William McDougall; one of the first apostles of the Clear Grit movement and colleague of George Brown himself in the "Confederation Coalition" of 1864, the twin functions of westward expansion and free homesteads are perhaps to be traced in their most appropriate context. In 1860 McDougall was prepared to compromise with the lumber interests, and trust, for the northward movement of the frontier, to nominal prices and free grants for colonization roads. In 1863, the year after the Homestead Act in the United States, McDougall still feared that free homesteads as a staple policy in Canada West would appeal only to immigrants in transit whose poverty left them no choice of location. As Minister of the Crown in

the coalition of 1864 he found it necessary still to compromise with the vested interests of his conservative colleagues. In reply to resolutions for the adoption of the American free-homestead system in 1865 he urged the postponement of the issue until Confederation could separate the two Canadas and leave each to follow its own interests upon the frontier. For Canada West the free homestead was still feasible upon the fringes of settlement but it was already too late to save the day as a staple of land policy. It was not until after Confederation that the Province of Ontario passed the Free Grant and Homestead Act in 1868.

Meanwhile McDougall, translated to the federal government as Minister of Public Works, took up the Clear Grit championship of western expansion relinquished by the resignation of George Brown. It was McDougall, with Cartier as his colleague, who carried through the negotiations in London in 1868 for the transfer of Rupert's Land and the North-Western Territory to the new Dominion. As Minister of Public Works he began those ill-starred surveys in Rupert's Land which precipitated the Riel Insurrection. As governor-elect he set out for the West in anticipation of the transfer on December 1, 1869. The system of survey, approved by Order-in-Council nearly a year before the actual transfer, was confirmed by Colonel Dennis in the field after consultation with officials in the Land Office of the United States. Even the variations from American practice were inspired by competition. McDougall's first design was a township of 64 sections instead of 36, with sections of 800 acres instead of 640, and homesteads therefore of 200 acres instead of 160. Pioneers from Eastern Canada could thus rely not only upon "lots of a size to which they have been accustomed", but upon larger homesteads than they could secure in the United States. In the end, both section and township were brought into conformity with American practice because it was already "known all over the world to the emigrant classes".

The free homestead as a staple of Dominion Lands in Western Canada thus owed much to a distinctively federal policy and the national emergency which federation itself was designed to meet. The control had to be federal because there were imperative national "purposes of the Dominion" to be served. Measured by the insistence of the federal government in 1870, in 1885, in 1905, in 1916, not the least of these "purposes of the Dominion" was the free homestead system: "Parliament pledged its faith to the world that a large portion of those lands should be set apart for free homesteads

to all coming settlers."<sup>4</sup> The compensation allowed in due time to the Prairie Provinces for lands alienated for free homesteads during the period of federal control would seem to indicate not only a federal origin but a federal function which came to an end only with the cycle of federal control in 1930. This uniformity of federal policy is in keeping with the unanimity which marked the introduction of the free-homestead system from the outset for Dominion Lands. Whatever submerged opposition there may have been among the lumbermen and land companies of Ontario, New Brunswick, and Nova Scotia, to the free homestead in those provinces, the system was adopted for the West without opposition and almost without discussion. Its origin, direct or indirect, in the United States was conceded on every hand. In the development of the eastern provinces it was too late for the free homestead to play a very decisive part. For the West there was still a chance. In the vast hinterlands beyond the Lakes the immigration which entered the portals of the Dominion could now be directed to Canadian soil. Beyond the barriers of the Precambrian shield it could still be launched upon the currents of continental migration.

<sup>4</sup> *Sessional Papers of Canada*, 1885, No. 61.

## CHAPTER IX

### THE FREE-HOMESTEAD SYSTEM FOR "DOMINION LANDS"

#### *1. Free Homesteads Taken for Granted*

THE brief outline of "the purposes of the Dominion" in retaining the control of public lands at the transfer of 1870<sup>1</sup> served to forecast the twin problems of railways and settlement which dominated the sixty-year era of "Dominion Lands". Like most of the problems of nineteenth-century Canadian politics these were attacked in the order of their immediate urgency. Next after the desperate necessity which forced the new Dominion into premature political expansion to the Pacific, came the problem of making good this new empire by means of a transcontinental railway. In the end both these projects and nationhood itself depended upon effective settlement; and the function of the free-homestead system in that process is perhaps the most interesting problem which survives from the era of "Dominion Lands".

In the federal parliament it was assumed from the outset, without a trace of opposition and almost without debate, that the free homestead was to find a place in Dominion policy. Canada could now indulge a "prairie fever" of its own, with added contagion from the rapidly expanding free-homestead system of the United States. Macdonald himself at the Manitoba Act vindicated federal control of public lands because "the land legislation of the Province might be obstructive to immigration. All that vast territory should be for purposes of settlement under one control and that the Dominion legislature." The Act itself merely stipulated, as we have seen, that public lands should be "administered by the Government of Canada for the purposes of the Dominion"; but McDougall, now a private member after the fiasco at Red River, submitted as an amendment to the Act, the detailed homestead legislation devised as early as 1869 to offset the attractions of the United States. The quarter section, in McDougall's opinion, ought to be 200 acres instead of 160; the fee \$5 instead of \$10; the residence requirements three years

<sup>1</sup> See above, Chapter II.

instead of five. Formal legislation, however, was deferred until the first Dominion Lands Act of 1872, after nearly two years of investigation and experiment by Order-in-Council. At every stage, the influence, direct or indirect, of the United States is unmistakable. McDougall himself conceded that he had "adopted with modifications, the American Homestead law". Dennis who had confirmed McDougall's system in the field, had consulted the Commissioner-General of the Land Office and the Surveyor-General of Minnesota. Lieut.-Governor Archibald, whose report from the new Province of Manitoba (December, 1870) was the basis of subsequent Orders-in-Council (March 1 and April 25, 1871), urged the 160 acre quarter-section homestead because the American practice was already "known all over the world". Cartier stated in the House that the 160 acre quarter-section homestead "had been adopted after mature consideration of the American system". The Hon. J. C. Aikins who introduced the first Dominion Lands Bill in the Senate, acknowledged his indebtedness to the "principles of a Bill which has just passed its second reading in Congress." Alexander Morris, the only member of the House of Commons to attempt even an exposition of the bill, referred to "the original Act of Congress, after which the Canadian Act was framed." "All along the line from the Lake of the Woods to the Rocky Mountains", wrote Archibald, "the two systems would be coterminous." It will be unnecessary to elaborate the fact. The free homestead like the 640 acre section, the decimal currency, and a score of less significant conventions, was to be an American product adjusted to the solidarity of the North American continent.

The Order-in-Council of March 1, 1871, the first comprehensive measure of Dominion Lands policy, made formal provision for homestead entries upon quarter sections of 160 acres, with fee of \$10 and residence requirements of five years before patent. It is clear, however, that the railway, for the time being, took priority over every other consideration. Within a belt of 36 miles—"three full townships on each side of the line finally sanctioned for the Inter-Oceanic Railway"—it was proposed to suspend, by Order-in-Council, "all existing regulations after May, 1874, and also terminate after the same day the free homestead system." This priority conceded at the outset to the railway as the most imperative necessity of national policy may be said to have remained a feature of Dominion administration until the railway land grant system was finally abandoned in 1894.

When the first Dominion Lands Bill was drafted in 1872, homestead entry on one quarter section with fee of \$10 and residence requirements of three years only, appeared among other regulations for sale, lease, and other forms of land administration. The Act was passed almost perfunctorily, the day before the House prorogued. It was overshadowed from the outset by the Washington Treaty and the first C. P. Railway Bill, the controversial provisions of which threw the whole homestead policy of the Dominion into its true perspective. A belt of 40 miles—20 on either side of the line—was to be set aside for the building of the railway. Within this belt, blocks of railway lands not exceeding 12 miles in width were to alternate with similar blocks of government lands. Within both, the free-homestead system was altogether withdrawn, and even government lands were to be sold at a minimum price of \$2.50 per acre. The American precedent is obvious. But while the grants to the Union Pacific had permitted entry for the full quarter-section homestead on government lands, and even those to the Northern Pacific had permitted homestead entry for 80 acres, the Canadian bill virtually suspended the free homestead altogether except for lands too far from the railway for immediate development. In policy as in literal practice the railway was to have right of way, and the fundamental problem of settlement was still left in abeyance.

The Pacific Scandal and the collapse of the first project for the C. P. R. restored the range of the homestead; but without railways the West was still a wilderness. The age limit for homestead entrants was reduced from 21 to 18 years; and pre-emption rights were granted to reserve the adjoining quarter section for purchase at the government price upon the issue of patent for the original homestead. Already a Canadian technique was being developed to deal with distinctively Canadian conditions. With the organization of the Department of the Interior (36 Vict., c.4) July 1, 1873, the Dominion Lands Branch, "specially charged as it is with the duty of surveying and allotting to settlers the rich and boundless prairies of the west", developed "formidable proportions", but the results for many years were meagre. The cost to the government of transporting the immigrant over the Dawson Road was \$25 per head: the charge to the settler was \$10. In 1876 the Department reported only 500 homestead entries and a "general depression in business". Up to November, 1880, some 3,750,000 acres had been disposed of; less than 1,820,000 under homestead regulations and nearly 1,930,000 acres under pre-emptions, sales, and scrip. Even under Liberal

auspices it was conceded that settlement must wait upon the railway.

With the return of the Conservatives to power in 1878 the doctrine was re-affirmed that the railway must be "built by means of the land through which it had to pass." The new Dominion Lands Act of 1879 was accompanied by the new railway resolutions approving the appropriation of "one hundred million acres of land, and all the minerals they contain . . . for the purpose of constructing the Canadian Pacific Railway."

## 2. *Homesteads and Railway Land Grants*

A new impulse to the free-homestead system came not from any doctrinaire Clear Grit principles of free land as in Ontario, still less from any sectional issues like tariffs or slavery as in the United States. It developed from a new technique of coöperation between government and railway for the rapid settlement of the West. It was acquiesced in by a railway-obsessed government, and it was advocated, paradoxically, by the C. P. R. itself in the interests primarily of sound railway policy. The function of the free homestead, under these auspices, seems to have been at any cost to provide as rapidly as possible a pioneer population in Western Canada. An obvious function, in turn, of rapid immigration was to increase the value and expedite the sale not only of railway lands but of government lands reserved for sale in the railway belt in order to provide the cash subsidies for the railway. But for the railway there was another function which remained a distinctive policy of the C. P. R., and forty years of practice demonstrated it to be shrewder and wiser than protracted land sales at higher prices. The free-homestead system could provide traffic from a wilderness at a time when the opponents of the railway claimed the C. P. R. could never earn the axle-grease for its rolling-stock.

This development in the scope and function of the free homestead is to be found between the Order-in-Council of July 9, 1879, under the railway resolutions of that year, and the final regulations of January 1, 1882, to implement the charter of the C. P. R. By the regulations of 1879 the railway belt of 220 miles was divided into nine zones, four on either side of the central railway belt of ten miles. This central "Belt A" was "absolutely withdrawn from the homestead entry, also from pre-emption, and held exclusively for sale at \$6" per acre. Within the adjoining belts B (15 miles on either side), C (20 miles on either side), D (20 miles), and E (50



miles), the odd-numbered sections were to be sold at \$5, \$3.50, \$2, and \$1 an acre respectively. By the regulations of January 1, 1882, a new classification was devised with far-reaching effect upon the scope of the free homestead. The even-numbered sections even within the new C. P. R. railway belt of 48 miles (Class A) were to be thrown open to homestead entry of 160 acres. The government reserved the odd-numbered sections in Class B (within 12 miles of other railways), Class C (south of the C. P. R. railway belt), and Class D (all remaining lands for settlement), for sale at \$2.50 and \$2 per acre; but the significant fact could now be announced broadcast that the even-numbered sections throughout the whole range of Dominion Lands were open free to the pioneer.

The new trend had been forecast by the government itself as early as the regulations of October 14, 1879, before the formation of the C. P. R. syndicate; but there can be no doubt that after 1882 the C. P. R. was collaborating with the government in a general policy which had a profound effect upon the settlement of Western Canada. Relying upon a financial structure of exceptional shrewdness, and avoiding the ruinous bonded indebtedness which swamped so many of the railways in the United States, the C. P. R. was intent from the outset upon transportation: upon building a railway, keeping it, and making it pay. For this, traffic was indispensable; and nothing but rapid settlement could create traffic. Not only, therefore, was there no conflict, as in the United States, between the land grant railways and the free-homestead system<sup>2</sup> but the closest collaboration was developed between government and railway to settle the country. Something of the part played by the C. P. R. in this national enterprise has already been outlined.<sup>3</sup> It is doubtful if any other technique was more successful, in the long run, in effecting permanent and prosperous settlement in Western Canada. The contribution of the free-homestead system under government auspices was to speed up the process. The contribution of the C. P. R., as we have seen, was to subordinate land sales to traffic, and in the interests of traffic, to settle their own lands as soon as possible at prices substantially lower than the market value. School Lands sold for a gross average of \$16.85 per acre in Saskatchewan, \$14.40 in Alberta, and \$9.79 in Manitoba. Hudson's Bay Lands which were also fixed sections in each township throughout the fertile belt and therefore represented the "mine run" of

<sup>2</sup> See B. H. Hibbard, *A History of the Public Land Policies* (New York: 1924), pp. 251 ff., for a very judicious estimate of the relations between the two.

<sup>3</sup> See above, Chap. V., section 3.

agricultural lands, sold for a gross average of \$12.10 per acre. C. P. R. lands which were all "fairly fit for settlement" and located under the widest range of "indemnity selection" on the continent sold for a gross average of \$7.63 per acre.<sup>4</sup> The net proceeds, moreover, instead of issuing in dividends were "ploughed back" into development in the joint interests of sound railroading and permanent prosperous settlement. "No policy did the syndicate press more strongly upon us", said the Minister of Railways in 1881, "than that of settling the land as fast as we could. They said we should be only too glad to plant a free settler upon every acre belonging to the Government."

In effect the railway, by offering choice lands in the railway belt at low prices, was enabling the thrifty settler to pass from the primitive stages of pioneer settlement to prosperity and in some instances to affluence. As wheat became the staple of production and the half section tended to supplant the quarter section as the more profitable unit of production under the new technique of improved machinery and dry farming, the part played by these evenly distributed odd-numbered sections of railway lands became increasingly important. The free homestead offered to the pioneer the prospect of a competence; but combined with adjoining quarter sections for sale at reasonable prices, the free homestead put a premium upon thrift, and offered a reasonable prospect of prosperity.

The early stages of the free homestead during what may be called the railway land grant period brought into play many of the symptoms which had already run their course in the United States—charges of "land-lock" and "monopoly" against the railways, and a long series of protests against the federal control of Dominion Lands. As the railway land grant system developed, the fierce scramble between rival railway companies for eligible reserves gave colour to the popular prejudice. As the tide of settlement began to flow, a hard-driven provincial government in Manitoba found itself unable to cope with its responsibilities. The Dominion could supply the settler with a free homestead, but schools and roads had to come from the provincial treasury. Deprived of the land as a source of revenue, and for twelve years with no "subsidy in lieu of lands", the Province of Manitoba was inclined to trace its fiscal embarrassments in no small measure to Dominion Lands policy. The Dominion could well afford to give the land away for nothing: it was quickly discovered that customs and excise revenues from rapid immigration

<sup>4</sup> Excluding irrigated lands.

attracted by free homesteads could be much more profitable than land sales. The Dominion, as the Hon. Frank Oliver once observed, could "make millions out of the lands of the Northwest and never sell an acre." The increase in customs and excise revenues netted the federal government "a greater profit than it could conceivably have made . . . through the use of the lands for revenue purposes."<sup>5</sup> If free homesteads, by this subtle alchemy, could be made to produce customs and excise revenues for the Dominion and traffic for the railways, the alliance between the two in support of the free-homestead system is easily understood. Even the fiction that railways could be built by means of the land through which they had to pass was abandoned in practice though it lingered on in political currency until the close of the railway land grant era.

In reply to the perennial pilgrimages of provincial ministers to Ottawa in search of "better terms" the federal government now revealed the outlines of a settled policy. The Dominion could well afford to champion the widest application of the free-homestead system and to vote generous appropriations for a vigorous immigration policy:

The success of all the undertakings of the Dominion Government, in and for the North-West, depends largely upon the settlement of the lands. Combined with a great expenditure in originating and maintaining an immigration service abroad and at home, Parliament pledged its faith to the world that a large portion of those lands should be set apart for free homesteads to all coming settlers, and another portion to (*sic*) be held in trust for the education of their children. No transfer (of public lands to the province) could therefore be made without exacting from the Province the most ample securities that this pledged policy shall be maintained. . . .

The great attraction which the Canadian Government now offers, the impressive fact to the mind of the man contemplating emigration, is that a well known and recognized Government holds unfettered in its own hand the lands which it offers free. . . . Your Sub-Committee deem it to be of the utmost importance that the Dominion Government shall retain and control the lands which it has proclaimed free to all comers.<sup>6</sup>

Whatever the goodwill of the railways towards the free homestead, the rivalry for eligible reserves, and the delays, in many instances deliberate, in selecting the acreage actually "earned" by railway construction, must have complicated the "land-lock" which was already charged against the whole railway land grant system. In addition there were conditions at home and abroad during the early nineties which would probably have defeated the most elaborate land policy in Western Canada. There was more than co-

<sup>5</sup> Mr. Porter, Alberta counsel before the Alberta Resources Commission

<sup>6</sup> Report of Committee of Privy Council, May 30, 1884, *Sessional Papers of Canada*, 1885, No. 61.

incidence, however, in the fact that the last railway land grant was made in 1894, and that the new Liberal administration of 1896, with Clifford Sifton as Minister of the Interior, began to explore the joint virtues of the free-homestead system and of enterprising land companies in speeding up land settlement. For the four years prior to 1897 the homestead entries in Manitoba and the Territories were fewer than 10,000 in number. In 1896 the cancellations were practically equal to the entries. Within four years over 27,000 entries were filed and equal numbers were buying selected areas for the inspection and sale of which enterprising land companies were now providing the most approved modern facilities. With experience gleaned upon the last "frontier" of the United States, railway excursions were organized and expert propaganda was brought to play upon the "saturated" agricultural areas of the middle western states. In many instances free transportation was provided many miles in advance of the railways. By the turn of the century an immigration "movement" was under way. "The land for the settler" was already the watchword of the new administration; but land sales kept pace with homestead entries, and pioneers of the second generation with capital and experience from the settled frontier of the middle west were beginning to penetrate the sub-humid areas of the Canadian territories. Up to this point it was the opinion of the Minister of the Interior that half the settled land of the West had been purchased either from the government or from the C. P. R., the Hudson's Bay Company or the innumerable agencies that were handling the land grants of the "colonization railways":

Settlement has progressed to the extent, and the class of settlers we are getting is improving to the extent, that, I fancy, fully one-half of the settlers that are actually located on the land in the West are located on purchased lands and have not taken up homestead at all. The division, I should say, roughly speaking, would be about one-half.<sup>7</sup>

The same tendencies are still to be traced during the following decade which brought the most rapid development of settlement in Western Canada and the widest application of the free-homestead system in Dominion Lands policy.

### 3. *The Staple of Land Policy*

With the passing of the railway land grant system and the rise of enterprising land companies in coöperation with an elaborate immigration policy abroad and in the United States, the free-homestead

<sup>7</sup> Hon. Clifford Sifton, in *Debates of House of Commons*, 1902, vol. II, p. 2981.

system became in fact as well as in theory the staple of Dominion Lands policy. As the time approached for the organization of the western territories into provinces the general principles of land administration were thoroughly canvassed. At the creation of the two new provinces of Saskatchewan and Alberta in 1905 the decision to retain the public lands under federal control was deliberately reaffirmed. By this time the function of the free-homestead system was very clearly conceded and it may be said to have formed until the natural resources were transferred to provincial control in 1930 the standing "purpose" of the Dominion in the administration of Dominion Lands.

Up to 1908 the total acreage of railway land grants "earned" by the railways—about 31,750,000 acres—was "just about the same amount as, up to the present, have been opened up as homesteads."<sup>8</sup> Within a single decade of the Saskatchewan Act of 1905 the area patented for homesteads in that province had risen from 2,780,000 acres to 21,500,000, with over 7,500,000 acres of homestead entries still unpatented: a total of more than 29,000,000 acres in Saskatchewan alone. It was recognized on all sides that the free-homestead system was serving a far-reaching purpose in the settlement of Western Canada.

But the technique of Dominion policy was much subtler than appeared upon the surface:

The interest of the province in the land (the Minister of the Interior stated frankly) is in the revenue it can derive from the sale of the lands; the interest of the Dominion in the lands is in the revenue which it can derive from the settler who makes that land productive. This Dominion of Canada can make millions out of the lands of the Northwest and never sell an acre; it has made millions out of these lands without selling an acre. . . . The increase in our customs returns, the increase in our trade and commerce, the increase in our manufactures, is to a very large extent due to the increase in settlement on the free lands of the Northwest Territories. . . . The interest of the Dominion is to secure the settlement of the lands, and whether with a price or without a price makes little or no difference. It is worth the while of the Dominion to spend hundreds of thousands of dollars in promoting immigration . . . in surveying and administering these lands, and then to give them away.<sup>9</sup>

Thus again at the outset of provincial organization for Saskatchewan and Alberta the alternative was squarely faced between provincial administration for revenue and federal administration "for the purposes of the Dominion". It is true, as the most resourceful

<sup>8</sup> Hon. Frank Oliver, Minister of the Interior, in *Debates of House of Commons*, 1908, vol. VI, p. 11126.

<sup>9</sup> See *Debates of House of Commons*, 1905, vol. II, pp. 3157 ff.

exponents of provincial<sup>13</sup> rights afterwards conceded, that the free homestead in some form would still have continued under provincial administration. "No man in 1905," Sir Frederick Haultain once said (March 16, 1911), "would have dreamt of altering the homestead policy, because it was that which made the province so attractive for settlement. The province would have followed out the same policy." Senator Gillis added that "we never proposed and never will propose to do away with the homestead privileges." It was equally true, however, and conceded before all three of the Natural Resources Commissions, that the provinces would inevitably at some stage have been forced to administer their lands for revenue had the Dominion not retained control of them in 1905 and compensated the provinces by "subsidies in lieu of lands". "If the lands were handed over to the provinces they would have to be used immediately as a source of income; we would have to get revenue out of them"<sup>16</sup>. The Dominion could thus afford to retain the lands "for the purposes of the Dominion" and to meet the fiscal requirements of the new provinces in some other way.

The basis of the "subsidies in lieu of lands" was carefully omitted in the final draft of the Saskatchewan and Alberta Acts, but from the original drafts and speeches in the House there can be no doubt of its origin. An area of 25,000,000 acres in each province, it was estimated, was still necessary for the "purposes of the Dominion" in respect of land settlement. Had fair compensation been paid to the provinces year by year at the rate of alienation, the subsidy would have been most buoyant when the population was still relatively sparse, and would have proved increasingly inadequate with every stage of subsequent development. A flat valuation of \$1.50 per acre was therefore put upon the prospective acreage (25,000,000 acres) to be utilized as Dominion Lands, and upon this "compensation fund" of \$37,500,000 a species of interest at advancing rates was adjusted in accordance with a sliding scale of population: one per cent. or \$375,000 per year up to 400,000 of population, one and one-half per cent. or \$562,500 up to 800,000, two per cent. or \$750,000 up to 1,200,000, and thereafter three per cent. or \$1,125,000. Since these subsidies were in the nature of interest payments upon a "compensation fund" for lands permanently lost to the province for purposes of revenue, the most discerning architects of the terms of 1905 already foresaw in the "subsidy in lieu of lands" a payment in perpetuity, as it has since become, for the system

<sup>10</sup> A. J. Adamson, in *Debates of House of Commons*, 1905, p. 5115

which the Dominion was now deliberately retaining as the staple of land policy. The partial extension of the Saskatchewan and Alberta terms to Manitoba in 1912 brought all three provinces into similar relations with the federal government. As late as 1916, as we have seen, the federal government still regarded the free homestead as indispensable. It was only when that system had run its course; when neither railway land grants nor free homesteads were longer regarded as indispensable "for the purposes of the Dominion", that the natural resources still unalienated in the Prairie Provinces eventually reverted in 1930 to provincial control. Such has been the price paid by the Dominion for the two major features of "Dominion Lands" policy; and if the period to 1896 may be called the era of railway land grants, that from 1896 to 1930 may fairly be called the era of the free homestead as the staple of Dominion policy.

#### *4. The System at Work: Early Defects*

In function as well as in origin the free-homestead system in Canada developed fewer resemblances than the railway land grant system to its prototype in the United States. It inherited no sectional antipathies such as convulsed the American union in civil war. It involved no revolutionary departure from historic traditions in the administration of public lands. It encountered no opposition from railway interests with vast areas of railway land grants to dispose of: it was advocated from the outset by the C. P. R. itself and integrated with the C. P. R.'s own policy of land sales and land settlement. It supplanted altogether the original sales policy of the government, designed to provide the cash subsidies for the railway. As it was adopted at the outset without opposition in the best interests of the whole Dominion, so also during the entire period of Dominion administration it remained virtually unchallenged as a fundamental feature of national policy.

It is obvious, however, even from what has already been written, that the free homestead was by no means a simple policy designed, like the school lands or Hudson's Bay grants, to discharge a single obvious function. In practice it was associated with so many other characteristic features of Western Canadian development that its influence is scarcely calculable without them. It would perhaps be fair to say that its most permanent results have been found only in its integration with other policies. For the railways it fitted into a technique which the railways themselves developed, for providing

as soon as possible remunerative traffic from the frontier. "The homestead policy", stated one of the officials of the C. P. R. who had grown old in the service of the Company, "was the foundation on which we worked. . . . In the first years our efforts were more directed to the settlement of the homesteads than to the selling of our own lands."<sup>11</sup> For the government it produced revenues almost by necromancy from the abounding customs and excise receipts which accompanied the era of free lands: the Dominion could "make millions out of the lands of the Northwest and never sell an acre; it has made millions out of these lands without selling an acre." And if the government could use the free-homestead system to produce customs revenues, and the railways to produce traffic, both, it is safe to say, depended upon the success of the system in producing rapid and permanent settlement in the interests of the whole Dominion. How far did the free-homestead policy deserve the credit it has almost universally received in Canadian tradition for the land settlement of Western Canada?

From the beginning it was clear that the normal function of the free homestead—a farm of 160 acres adapted to mixed farming and operated by a permanently settled pioneer family—was to be honoured in the breach as well as in the observance. During the railway land grant era before any decided "movement" of population had begun, the regulations were so frequently changed in detail that it would be tedious to attempt a classification. In the competition with the United States conditions were deliberately modified until all sorts of abnormal practices were rampant. By the Dominion Lands Act of 1883 (46 Vict., c. 17, section 37) provision was made for a second homestead entry in order to prevent the drift to the western states of Canadian homesteaders who were disposing of their quarter sections as soon as patent could be issued and repeating the process in the Dakotas. In 1886 (49 Vict., c. 27, section 8) the experiment was abandoned, and homestead rights restricted to a single entry. Up to 1884 at least six months' residence a year for three years (instead of five, as in the United States) was exacted before title could issue. In that year, however, the concern of both government and railway for settlement at any cost was such that even these meagre requirements were modified. Residence was waived, except for three months preceding the application for patent, while the entry could be "proved" by cultivation, building, or stock. The results, until more stringent regulations put

<sup>11</sup> Frank W. Russell before the Saskatchewan Resources Commission.



an end to much of the confusion, have been described by an observer:<sup>12</sup>

The cultivation was done, although only to the amount of thirty acres, in the most perfunctory manner, and in most cases after title was obtained the land was abandoned. The "habitable house" was a shack that could be put on a wagon and drawn any place, one shack would do duty for a dozen different applications for patent. This law enabled patent to be obtained so long as one lived within two miles of his homestead quarter section. This regulation was afterwards extended to any place in the same township, then to any place within six miles, and for cultivation stock to the value of a few hundred dollars was substituted. A homesteader would purchase a small band of stock up to the requisite amount, and give his note for it. After he obtained his recommendation for patent, his note becoming due, the holder of the note took the stock back. The same stock would do to prove title by homestead right to any number of quarter sections.

The worst abuses under these regulations were quickly remedied, but the chronic infirmity of the free-homestead system was already apparent. "Land for the actual settler" may have been the most plausible of policies, but no system of land policy has ever been proof against fraudulent manipulation; and for many years whole districts in the vicinity of every frontier town and village were devastated rather than populated by the free-homestead system. Every moderation of the requirements with regard to residence or cultivation produced its crop of patented but abandoned homesteads: or rather unoccupied homesteads, for such they virtually remained from the time that homestead entry was filed upon them. With every sign of improvement in general conditions—every local "boom" and every railway station added to the network of "colonization railways"—the land speculator was there in advance of the farmer, the village doctor, lawyer, and store-keeper. Only too frequently he was the village lawyer or doctor or store-keeper himself. Railway companies or land companies operating on a large scale had an interest in permanent settlement, and commanded facilities for inspection and sale comparable to the best that the government itself could supply. But the small individual speculator had few facilities for sale except to another speculator; and the names of individuals of every profession and occupation soon appeared among the entries for free homesteads in the vicinity of every prairie town. In three small districts in Saskatchewan after 1905, the homestead entries included the names of the local printer, three grocery clerks, the manager of a lumber yard, two school principals, two barbers, a

<sup>12</sup> Mr. William Pearce.

dentist, a drayman, two carpenters, two tailors, a plumber, a hardware merchant, two sons of the local store-keeper, a harness maker, two hardware clerks, an insurance agent, two garage proprietors, an implement salesman, a druggist, and the local doctor. "I personally knew each one of these people," added this witness before the Saskatchewan Resources Commission, "during my residence in that district."<sup>13</sup>

It is true that the regulations with regard to "commutation" and "pre-emption" (in the American sense of that practice) which wrought such havoc with the free-homestead system in the United States<sup>14</sup> were not upon the Canadian statute books. It will be recalled, however, that the rate of "commutation" in the United States dropped by seventy-five per cent. when the Canadian three-year term of residence for the free homestead was adopted in 1912. The reason is not far to seek: the vicious process of purveying homesteads to the lurking speculator could now be completed as cheaply and almost as expeditiously in broad daylight under the new three-year residence requirements as it could by "commutation" after residence of fourteen months. When it is recalled that the three-year residence requirement had been in the Dominion Lands Acts since 1872, the prevailing drift of the free homestead into the clutches of the speculator is easily understood; and its devastating proportions are to be seen in the acreage of land alienated but still uncultivated in Western Canada (Figs. 35, 36).

It would be unfair to charge too many of the evils of the system upon the speculator as such. Much obviously depended upon the facilities at his command and the scale of his operations. The classic defence of the speculator's function was that he tended to stabilize prices: in buying cheap he tended to send prices up and in selling dear he tended to send prices down. But there can be few commodities in the modern world to which this defence is strictly less applicable than to land upon the frontiers of settlement. Lands upon the frontier are usually to be sold "when the selling is good" or not at all. For sustained "movements" of migration the tide of effective "controls"—physiography and "good times"—may lead on to fortune only when taken at its flood. In any event the great desideratum here was neither price nor profit but occupancy and production. The shrewd observer already quoted for the short-sighted regulations of 1883-1886 has a word to add with regard to this:

<sup>13</sup> C. H. Stockdale for the districts of Maple Creek, Gull Lake, and Shaunavon

<sup>14</sup> See above, Chapter VII, section 4, sub-section (d).

Those responsible for the Homestead Act . . . seem largely if not wholly to have lost sight of the fact that a homestead was intended as a home, not as a gift of 160 acres to a man for coming into the country. Thus around all our towns and villages . . . all the lands were taken by people who lived in them, not at the homestead. We would have had them without giving them 160 acres, and if that 160 acres had not been given but had been occupied by progressive settlers, these men's livelihood in the towns would have been greatly bettered. The result is today in many portions of the Provinces of Alberta and Saskatchewan in the neighbourhood of villages, towns and cities, there is more production per acre from the lands which have been sold to land companies or others granted as railway land grants than there is from the lands acquired as homesteads. The unfortunate part of it is that a large percentage of these homestead lands are held in small lots, the majority of them not more than one holding to the individual. If they were held in considerable acres by any one interest, it is probable that action could be taken to greatly increase the occupation and production.

Here as in the old Canadas the chaos which attended the free-grant system was due not to lack of good land, or enough land, but to the fact that title was hopelessly tangled in private possession. Some of the best lands in the province were in the hands of "land poor" speculators instead of being at the disposal of the government to be administered in an orderly uniform system, accurate and above all simple and accessible in its operation.

#### *5. The System at Work: Later Results*

The adoption of the free-homestead system as the dominant policy of the Liberal government after 1896 was more easily avowed than vindicated. The passing of the railway land grant system was by no means, as we have seen, the end of railway land grants. Land subsidies "earned" or still to be "earned" by railway construction remained to be liquidated, and railway land grant reserves remained for more than a decade the spoils of rival factions in politics as well as in transportation. There was much truth in Clifford Sifton's sardonic comment that the railway land grant system had come to an end in 1894 not because it had been supplanted by a new policy but because the government had come to the end of eligible land grants. The truth was that the odd-numbered sections of agricultural lands "fairly fit for settlement" had practically been exhausted except in sub-humid areas which the railway companies were unwilling to accept. In that sense the free-homestead "system" was not, and never had been, more than half a system, applicable at best to scarcely four-ninths of every township.<sup>15</sup> It was not until

<sup>15</sup> Hudson's Bay sections (8 and three-quarters of 26: the whole of 26 in every fifth township) were of course reserved from free-homestead entry. Sections 11 and 29 were school lands, and the remaining odd-numbered sections when "fairly fit for settlement" went to the railways. Normally only about 16 of the 36 sections of each township could thus be "homesteaded". See Fig 8, p 233.

1908 that outstanding railway land grants were finally liquidated and the remaining odd-numbered sections made available for homesteads or for the "pre-emption" and "purchased homestead" policy of that year. ✓

With the turn of the century the tide of immigration was very definitely setting towards Western Canada. It was now possible, perhaps, for the first time, to exact rigorously the requirements of the Dominion Lands Acts in "proving" title to the free homestead. In 1905 the Hon. Frank Oliver, successor to the Hon. Clifford Sifton as Minister of the Interior, re-affirmed "a land policy the basic idea of which is the land for the settler." But no effort of legislation or of administration could keep it so. The free-homestead entries already cited for Maple Creek, Gull Lake, and Shaunavon in Saskatchewan illustrate how easily the system could still be exploited by the townsman and villager of every frontier community. Perhaps the best that could happen to this acreage was to fall into the hands of land companies equipped to dispose of it to actual settlers. The usual eventuality, however, was probably the worst: vast areas of land, uncultivated and weed-infested, were held by individual speculators for a rising market. The cancellations in free-homestead entries (more than 57 per cent., as we shall see, in Saskatchewan between 1911 and 1931) were the highest in any category of Dominion Lands; and if these cancellations, representing the gap between entry and patent, may be taken as any index to the later gap between patented homesteads and actual occupancy and production, the total wastage not only of cultivable acreage but of human material must have been truly appalling. ✓ Not by these standards was the free-homestead system entitled to the credit of having "peopled the Canadian prairies."<sup>16</sup>

This, however, is but one side of the ledger. Notwithstanding the admitted defects of the system—the excessive cancellations of original entries, the shrinkage which cannot be computed between the patented acreage and actual productive occupancy, the unrecorded wastage of human enterprise, the veritable mortmain which settled down in the wake of the individual speculator—the net results of the system at work during the single generation since the Alberta and Saskatchewan Acts have been truly imposing. The *prima facie* evidence may be somewhat deceptive, since land companies and railways were selling land as easily, it would seem, and almost as fast, as the government was giving it away. The increase in population and in production must be credited to both. The fact

<sup>16</sup> See Chapter X, section 2, *The Passing of the Free Homestead*.

remains, however, that in a single generation the acreage of free homesteads in Saskatchewan increased from 12,488,200 acres in 1905 to 30,729,100 acres in 1930, while the population increased from 257,763 in 1906 to 921,785 in 1931. It was the boast of provincial counsel before the Saskatchewan Resources Commission that "in thirteen and a half years we produced seven billions of dollars." The accompanying table will illustrate this development at five-year intervals.

TABLE XVI—INCREASE OF HOMESTEAD ACREAGE AND POPULATION IN SASKATCHEWAN, 1905-1931

YEAR	POPULATION	YEAR	HOMESTEAD ACREAGE*		
			Patented	Unpatented	Total
1906 . . . .	257,763	1905	2,780,400	9,707,800	12,488,200
1911 . . . .	492,432	1910	11,743,000	10,010,800	21,753,800
1916 . . . .	647,835	1915	21,513,700	7,569,300	29,083,000
1921 . . . .	757,510	1920	26,189,300	2,995,700	29,185,000
1926 . . . .	820,738	1925	27,425,800	2,075,300	29,501,100
1931 . . . .	921,785	1930	28,144,000	2,585,100	30,729,100

\*Including South African Veteran Homesteads.

For Alberta the statistics are almost equally imposing. The homestead acreage (patented) increased from 1905 to 1930 by more than 16,450,000 acres, while the population increased from 185,195 in 1906 to 731,605 in 1931.

The presence of many other factors will be obvious even from these statistics. The single decade from 1905 in Table XVI, for instance, accounts for more than eight-ninths of the increase in homestead acreage and less than 59 per cent. of the increase in population. To the free-homestead system must be added the part played by land companies, railway lands, Hudson's Bay and school lands, and other categories of land sales; and also the growth of cities and towns attendant upon both. In Figure 25 the ratio of free homesteads to population in Saskatchewan may be found still more graphically illustrated. Here again a chart of land sales would be necessary to complete the picture, and there is every indication that the ratio between sales and population would be substantially the same. Beyond these factors again, as we have so frequently emphasized, lay world conditions, physiographical and economic,

more decisive perhaps than any phase of policy, and still more remarkable in their bearing upon land settlement in Western Canada. Even the relation between free homesteads and land sales is not easily determined except by methods to be hazarded in a later chapter.

The free homestead, nevertheless, remains inseparably associated with the "golden age" in the development of Western Canada. Before the Saskatchewan Resources Commission the record of

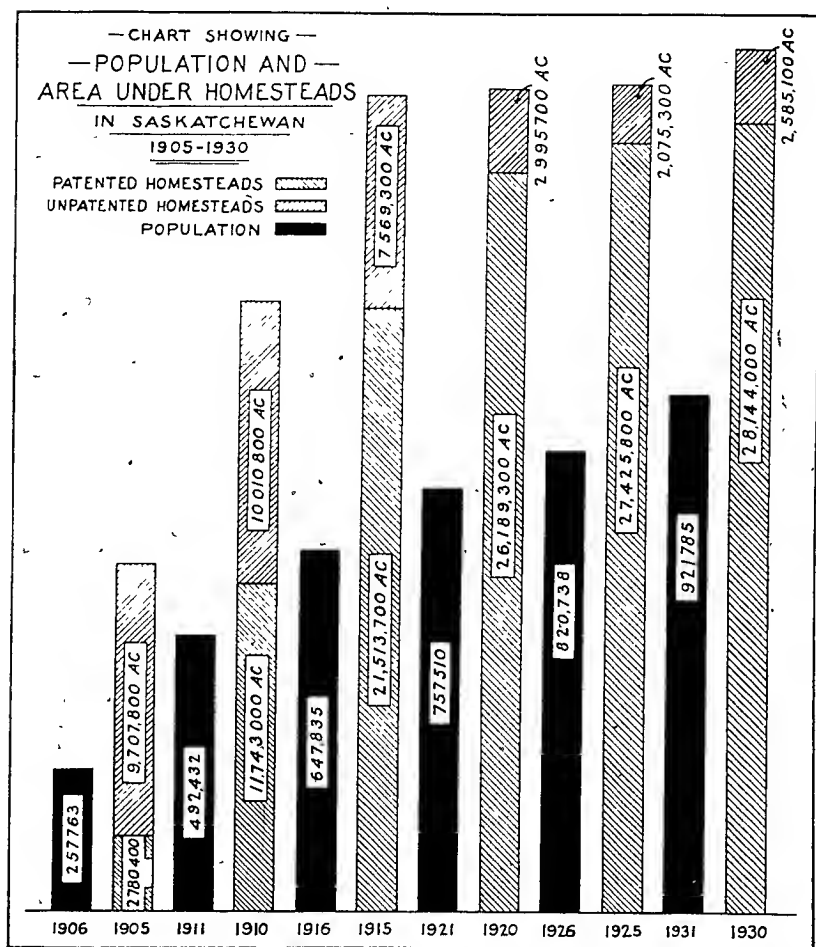


FIG. 25—Chart showing acreage under homestead (patented and unpatted) and population in Saskatchewan, 1905-1930. *Sask. Res. Comm.*

provincial development claimed by provincial counsel was endorsed by the chief counsel for the Dominion<sup>17</sup> as "the best contribution to Canadian prosperity that was made in those years. . . . I cheerfully admit that. Oh, for a return of those years."

<sup>17</sup> James McGregor Stewart, K.C.

## CHAPTER X

### PRE-EMPTIONS AND PURCHASED HOMESTEADS: THE PASSING OF THE FREE-HOMESTEAD SYSTEM

#### 1. *Tendencies Towards Larger Holdings*

IN THE legitimate movement towards larger farms in sub-humid areas the free homestead, in association with other agencies of land settlement, served one of its most distinctive functions. Here too the lurking speculator took his toll, and it is not easy to appraise the results in terms of any feasible alternative.

From the outset it was clear that the 160 acre homestead in many areas where summer fallowing was necessary on a large scale could never be a satisfactory farm. By the time the Canadian free-homestead system had begun to function, similar tendencies west of the 100th meridian in the United States were already apparent. "Wild lands (as Hibbard observes), though cut up into convenient tracts, did not constitute farms." Without adequate resources distress all too frequently "followed fast on the trail of those who undertook to make happy homes out of wild land and enthusiasm."<sup>1</sup> All sorts of regulations were adopted—usually too late—to deal with these sub-humid and semi-arid areas. There was the Kincaid Act in 1904 for 640 acre homesteads in Nebraska, which within ten years settled over 6,500,000 acres of land in that state upon those terms. Five years later an Enlarged Homestead Act permitted 320 acre homesteads in nine—eventually twelve—other states and territories, including North Dakota; but up to 1921 homestead entry had been made on less than 2,500,000 acres of the 193,000,000 acres designated by the geological survey as suitable for this purpose. A Stock-raising Homestead Act for 640 acre homesteads, passed in 1916, resulted within seven years in entries from eighteen states for some 35,600,000 acres, scarcely one-fifth of which had been patented by 1921. Relief measures covering crop failures from drought, prairie fires, grasshoppers and other causes, found their way from time to time through Congress. But the great weakness of the

<sup>1</sup> B. H. Hibbard, *A History of the Public Land Policies* (New York 1924), p. 390



Homestead Act continued to be "its utter inadaptability to the parts of the country for which it was not designed." "East of the hundredth meridian", adds Hibbard, "the Homestead was a success."

The qualification implied in this estimate, if applied to Canada, would exclude the whole range of the Prairie Provinces west of a line from Brandon to The Pas. The way in which the free-homestead system in Canada was fortified to cope with physiographical conditions similar to those which impaired the system west of the hundredth meridian in the United States was perhaps the most significant by-product of Dominion Lands policy. It will be sufficient to list these agencies without unnecessary comment.

(a) *The Canadian railway land grant system*, as we have had occasion to note in some detail, supplied to the enterprising settler the largest proportion of easily accessible land for this purpose to be found under one category on either side of the boundary. In the United States where the railway land subsidies were restricted to fixed sections in the railway belt except for a narrow range of "indemnity selection" for lands already occupied, the effect of the system upon the 160 acre homestead was limited and irregular. It is true that railway land grants in the aggregate dwarf not only the Canadian railway land subsidies but every other category of Dominion Lands. More than 37,750,000 acres were granted in the United States for railway purposes to public land states, and nearly 91,240,000 acres directly to railway companies themselves—a total of more than 129,000,000 acres. The total acreage of Dominion Lands alienated during the entire cycle of federal control<sup>2</sup> scarcely excels this area alone. Compared, however, with the total acreage similarly alienated from the public domain in the United States (about 925,000,000 acres), the proportion of railway land grants (about 14 per cent.) was much smaller than in Canada; and the grants themselves, being as a rule "mine run" sections restricted to the railway belt, were at once more variable in quality and less uniformly accessible to the free homestead. More than 24 per cent. of Dominion Lands alienated from 1870 to 1930 were to be found for sale in the form of railway lands, usually on moderate terms, in odd-numbered alternate sections uniformly "fairly fit for settlement", and regularly adjoining the most eligible agricultural lands in Western Canada.<sup>3</sup>

How far these results of the railway land grant system were

<sup>2</sup> About 129,650,000 acres (1930), excluding leases, parks, Indian reserves, etc.

<sup>3</sup> Compared with homesteads alone the ratio of railway lands is approximately the same in both countries. In Canada there were 31,785,000 acres of railway land grants to (Continued on page 415)

## PRE-EMPTIONS AND PURCHASED HOMESTEADS 415

deliberate and how far a mere by-product it would not be easy to determine. It was the settled policy of the C. P. R., as we have seen, to expedite the tendencies towards the 320 acre farm: "The Company's lands are seldom sold to new immigrants, but generally to those who have already established themselves on free homesteads, and who from their improved condition are able to increase their holdings by the purchase of adjoining railway lands."<sup>4</sup> In any event the advantages of the practice were quickly seized and discerningly revived long after the railway land grant system had passed away. Oliver himself, with all his zeal for the principle of "the land for the settler", gave it a passing tribute (March 14, 1907):

The fact that the settler coming from the United States and from Eastern Canada has been able to homestead a quarter section free and to purchase an adjoining quarter section from the railway company on the odd-numbered section, has been a great inducement to the settlement of our country so far as it has gone. The belief there is that 160 acres may be a good farm but that 320 acres is a very much better farm, and the fact that a 320 acre farm could be acquired at a reasonable price by locating a homestead on an even-numbered section and purchasing from the railway company on the odd-numbered section, we believe has been a very great incentive to the settlement of our country by the best class of people, that is, people with means and ability to carry on farming operations on a considerable scale

For dry-farming areas the railway land grant system had inadvertent virtues that were worth preserving, and an attempt was made to perpetuate them, as we shall see, in the "pre-emption" and "purchased homestead" regulations of 1908.

(b) *The function of Hudson's Bay lands and school lands* in the growth of larger holdings was of course a by-product of their original purpose. There were features of both which compared unfavourably with railway lands in their integration with the free-homestead system.

Both were administered primarily for revenue; and the average price per acre was higher than that of any other single category of land sales. Hudson's Bay lands sold for a gross average price of \$12.10 per acre; school lands at \$16.85 per acre in Saskatchewan, \$14.40 per acre in Alberta, and \$9.79 in Manitoba, while the gross average price of C. P. R. lands (excluding irrigation lands) was \$7.63 per acre.

<sup>4</sup> *Annual Report of the Canadian Pacific Railway, 1893, p. 17*

about 59,777,000 acres of homesteads—about 53 per cent (1930). In the United States there were 129,000,000 acres of railway lands to about 213,850,000 acres of homesteads, or about 60 per cent. The effectiveness of this area for purposes under discussion, however, was largely complicated, as we have seen, by the variable quality, the limited distribution, and the smaller proportion to total alienations.

Both Hudson's Bay lands and school lands were "mine run" grants located in fixed sections of each township throughout the fertile belt—8 and 26 for Hudson's Bay lands, and 11 and 29 for school lands. In quality and distribution, therefore, both were under serious disadvantages by comparison with railway lands which were not only uniformly "fairly fit for settlement" but distributed in alternate sections over the most-eligible farm lands of the Prairie Provinces.

The method of sale for both was designed, like that of the C. P. R., for the established settler rather than for the newcomer, but there was a difference in purpose and in results. Sale by auction during successive periods of inflation in 1910-1913, 1917-1919, and 1928-1930, accounted for more than 75 per cent. of school land sales, with correspondingly heavy cancellations in each intervening period of depression. It seems probable, therefore, that school lands contributed more to the speculative enterprise of the individual farmer during periods of inflation than to the orderly development of the half-section farm in areas adapted to dry farming. For Hudson's Bay lands, sales seem to have followed the vicissitudes of the market without regard to much but the immediate proceeds. It must have been a consideration, at least, to the prospective settler that wherever his free homestead might happen to be located throughout the whole range of Dominion Lands, he was certain to find within the bounds of his township some 2,500 acres of Hudson's Bay and school lands for sale, contiguous at some point to his own homestead (Fig. 8).

(c) *The Canadian forms of "pre-emption" and the "purchased homestead"* were perhaps the most direct devices of Dominion policy for the purpose of promoting the development from the 160-acre homestead to the half-section 320 acre farm.

"Pre-emption" laws in the United States (see above, Chapter VII, section 4, sub-section (d)) had been designed to protect the squatter in his lonely battle with the wilderness. When combined with the rights of "commutation" they had resulted in opening the free-homestead system to such an orgy of fraudulent exploitation that Donaldson in 1882 called them "the hope of the land-grabber and . . . the land swindler's darlings. Every attempt to repeal them by act of Congress is met with desperate hostility." "The pre-emption law," added the Secretary of the Interior, "has been used largely to aggregate large quantities of land for the benefit of the speculator, and not for those for whose benefit it was intended."<sup>5</sup>

<sup>5</sup> Thomas Donaldson, *The Public Domain* (Washington 1884), pp. 678ff.

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As early as 1876 the Commissioner of the General Land Office claimed it had outlived "any honest purpose consistent with the now established policy of holding the public lands for actual settlers only".<sup>6</sup> Despite this scathing condemnation it required another decade and a half of agitation to remove it (1891) from the statute books.

In Western Canada the problem of the squatter was easily disposed of: the Selkirk settler with Hudson's Bay title or title by "occupancy", the Métis, and the white settler before the "transfer", could all be dealt with by special legislation.

In the first Dominion Lands Act of 1872 no provision as such was necessary for "pre-emption" in the American sense. As early as 1874, however, "pre-emption" in a characteristic Canadian sense was added to the free-homestead regulations of that year. A settler after entry could obtain "an interim entry for an adjoining quarter section then unclaimed" and could "purchase the said adjoining quarter section at the Government price" as soon as patent could be issued for the original homestead.<sup>7</sup>

The operation of these provisions from 1874 until their abrogation in 1890 presents a curious contrast to the revival of "pre-emption" during the decade after 1908. The total entries for Manitoba and the territories were 21,420—an area of approximately 3,425,000 acres, of which about 2,215,000 acres were in Manitoba and 1,210,000 acres in the territories. Of this imposing acreage less than 170,000 acres or about 7.65 per cent. were actually patented in Manitoba, and less than 31,000 or 2.5 per cent. in the territories. Within a decade the tendencies were obvious. Pre-emption was playing a larger part in "land booms" and speculation than in agriculture. When the consolidated Dominion Lands Act of 1883 appeared (46 Vict., c. 17, s. 39) Macdonald himself supported the repeal of pre-emption rights, to take effect January 1, 1885:

You do not get the 320-acre farmer, but you get the 160-acre homesteader, who is utterly unable to do anything with the pre-emption right, whilst the speculator gets hold of it and keeps it until he can find a purchaser at an advanced price.<sup>8</sup>

In Canada as in the United States the tentacles of the speculator were not so easily dislodged. Two extensions were granted in 1884 and 1886 (47 Vict., c. 25 and 49 Vict., c. 27) before pre-emption was finally discontinued from January 1, 1890.

<sup>6</sup> *Report of the Commissioner of the General Land Office*, 1876, p. 9.

<sup>7</sup> *Statutes of Canada*, 37 Vict., c. 19. The term "pre-emption" is not used in this section (8) of the Act.

<sup>8</sup> *Debates of the House of Commons*, p. 863.

The experience of the Department meanwhile with "purchased homesteads" had been scarcely more encouraging. By the first Dominion Lands Act of 1872 the homesteader could purchase an additional acreage up to 640 acres at prices which varied from time to time until the privilege was withdrawn altogether in 1881.

The revival of "pre-emption" and "purchased homesteads" in 1908 has already been outlined in its relation to the railway land grant system where it formed in one sense the last vestigial survival of the plausible policy of building railways by means of the land through which they had to pass. The sale of 5,000,000 acres of odd-numbered sections, not by the railway but by the government, would ensure "the early construction of the railway" to Hudson Bay without increasing "the burden upon the general treasury of the country . . . to the amount of one cent."<sup>9</sup> While unearned land grants to a Hudson Bay railway were still on the statute books, the system itself had been officially abrogated, and the Hon. Frank Oliver sought to kill not two but three or four birds with one stone in the revised Dominion Lands Act of 1908.

One purpose of the Act, therefore, was to ensure the completion of the Hudson Bay railway by the prospect of paying for its construction by the sale of odd-numbered sections which an Order-in-Council of 1889 had specifically reserved throughout Dominion Lands for sale or for land grants to "colonization railways". Under the statutory grant of 1884 (47 Vict., c. 25) these lands still formed "as it were, a mortgage standing against the lands of the Northwest with respect to aid to a railway to Hudson's Bay."<sup>10</sup> Another purpose of the Act was to put an end officially to the railway land grant system and to release "the great reservations . . . by which provision was made for land grants to railways." Thenceforth all Dominion Lands, unless specifically reserved for other purposes, were to be open for homestead entry. A third purpose, if the debates in the House of Commons are to be relied upon, was to bring the Dominion Lands Act into alignment with the free-homestead system as the staple of land policy, and with tendencies already unmistakable in western Canadian agriculture. The 160 acre homestead "may be a good farm but . . . 320 acres is a very much better farm", and for successful dry farming the "special privilege should be given of allowing the homesteader to purchase an ad-

<sup>9</sup> See above, Chap. V, section 5, *The End of the Railway Land Grant System*.

<sup>10</sup> "The pre-emption provision of the Bill . . . was placed in the Bill for the purpose of ensuring and securing the building of the Hudson Bay Railway." Hon. Frank Oliver, in introducing the Dominion Lands Bill of 1907-08.

ditional 160 acres."<sup>11</sup> The enterprising homesteader who could no longer purchase an adjoining quarter section from the railway could now purchase it from the government. It is this aspect of "pre-emption" and "purchased homesteads" with which we are here concerned:

By putting . . . the odd and even-numbered sections in one class and offering an adjoining quarter-section at a fair price and on settlement conditions to the homesteader who takes a free homestead we . . . hope to be able to keep up that stream of desirable immigration that has added so greatly to the wealth and prosperity of our country during the past few years. This, I might say, is the important feature of the bill as it deals with the odd-numbered sections which are now practically released from the control of the railway companies.<sup>12</sup>

The bill, introduced during the session of 1906-1907, ran the gauntlet of criticism and discussion before it was eventually enacted during the following session (7-8 Edw. VII, c. 20). Two amendments reflected the general trend of this criticism.<sup>13</sup> The privileges of "pre-emption" and "purchased homesteads" were restricted to a certain definite tract, and even within that tract marginal townships were excluded in which "eight sections or more had been accepted by any railway company as part of its land grant." Within a vast area—from Calgary on the west to Moose Jaw on the east and from Battleford on the north to the international boundary—lay many districts in which "the railway companies had not seen fit to select the odd-numbered sections as their land grants." These sections were now to be opened for homestead entry or for sale, not by the railways for what they would bring in the open market but by the government itself at the rate of \$3 per acre. It was estimated that about 28,000,000 acres would still be available for the operation of the Act.

Within this area the homesteader was entitled to purchase at \$3 per acre<sup>14</sup> a quarter section of Dominion Lands adjoining his own homestead. The requirements of residence and cultivation were similar to those of the free homestead itself. The homesteader was required to cultivate 50 acres in addition to his homestead duties, and to live either upon his homestead or his pre-emption claim for "at least six months in each of six years subsequent to the date of entry to his homestead" (7-8 Edw. VII, c. 20, s. 27).

<sup>11</sup> Mr McKay, in *Debates of the House of Commons*, 1914, p. 3351.

<sup>12</sup> Hon. Frank Oliver, in *Debates of the House of Commons*, 1906-07, p. 4675.

<sup>13</sup> Particularly that of Mr Greenway after more than thirty years of experience in Western Canada.

<sup>14</sup> One-third within three years of the payment of the initial homestead fee of \$10, and the remainder in five equal annual instalments.

For the established settler who found no contiguous quarter section available, the right of "purchased homestead" was introduced:

The men who are in the country today (explained the Minister) will feel that they are being to some extent discriminated against in favour of the new settler. . . . The men who have been first in the field, the men who have taken the chances, whose labour and whose capital have developed the country . . . are certainly entitled to every fair consideration.

Unable to "acquire a pre-emption immediately alongside his homestead", the old settler was to have the privilege of "taking up a pre-emption elsewhere" in the form of a "purchased homestead". One-third of the purchase price (\$3 per acre) was payable at entry, and the remainder in five annual instalments. The settlement duties included residence for "six months in each of three years subsequent to the date of such entry", the cultivation of 50 acres upon the "purchased homestead", and the building of a house to the value of \$300. Within nine miles of the entrant's own homestead "residence upon the homestead may be accepted as residence on the quarter section". (7-8 Edw. VII, c. 20, s. 28).

The accompanying map (Fig. 26) will show the range of "pre-emption" and "purchased homestead", and the townships, in darker tints, which were excluded from such entry by virtue of railway land grants (to the extent of eight sections or more) already located within their boundaries.

The pre-emption and purchased homestead sections (27 and 28) of the Dominion Lands Act were repealed in 1918 to make way for the Soldier Settlement Act. The results have been variously estimated. In Saskatchewan (Table XVII) the net area pre-empted up to 1917 was nearly 5,000,000 acres. Thereafter cancellations exceeded entries and reduced the net area pre-empted to about 3,703,840 acres. The total area under pre-emption in Saskatchewan was given by the Dominion<sup>15</sup> as 3,871,882 of which 3,475,281 had been patented. The total number of entries from 1908 to 1918, had been 47,800, of which no fewer than 24,353 were cancelled after 1911—a percentage of cancellations (over 50 per cent.) which rivals that of the free-homestead system itself. A survey, on the other hand, of average districts in the province—La Fleche and Hodgeville, Gull Lake, Milestone, Ruthilda, and Tramping Lake—revealed the survival of 3,213 patented pre-emptions out of 4,457 original entries<sup>16</sup> or more than 72 per cent.

<sup>15</sup> Sask. Res. Comm.

<sup>16</sup> *Ibid.*

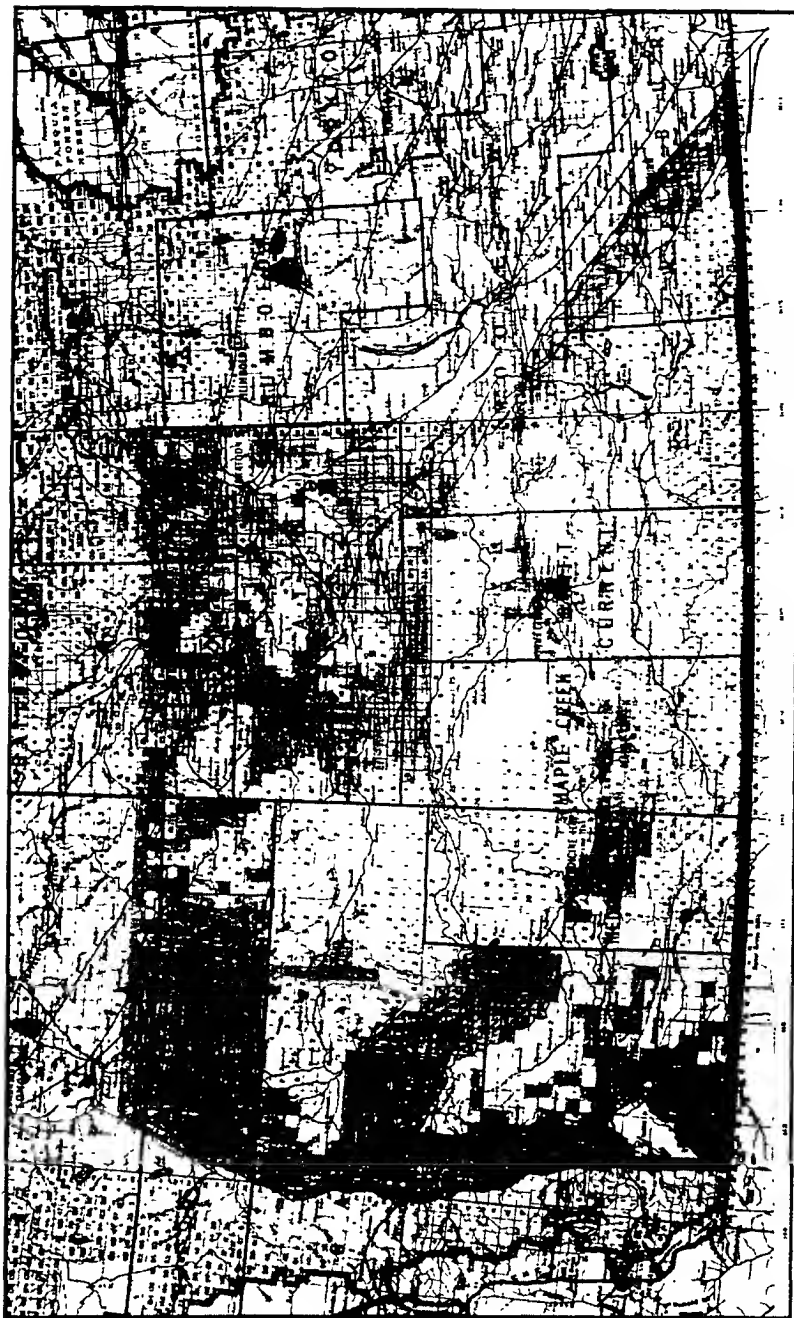


FIG. 26.—Map showing the boundary of the pre-emption and purchased homestead tract. The shaded areas are those in which the pre-emption provisions did not apply. *Sask. Rev. Comm.*



In Alberta (Table XVIII) where the entries for pre-emptions amounted to 5,142,720 acres, the cancellations were 1,820,640 acres or 35.4 per cent. The total area of pre-emptions patented from 1905 to 1930 was given by the Dominion<sup>17</sup> as 1,552,664 acres, with 199,451 acres still unpatented in 1930.

TABLE XVII—PRE-EMPTIONS AND PURCHASED HOMESTEADS IN SASKATCHEWAN, 1908-1918\*

YEAR	PRE-EMPTIONS Net Acreage	PURCHASED HOMESTEADS Net Acreage
1909. . . . .	1,492,480	97,400
1910. . . . .	1,156,000	138,240
1911. . . . .	833,280	186,400
1912. . . . .	582,080	150,080
1913. . . . .	410,880	101,760
1914. . . . .	328,160	67,200
1915. . . . .	94,560	25,600
1916. . . . .	55,840	25,600
1917. . . . .	(13,440)†	14,560
1918. . . . .	(25,760)†	12,480
1919-1930 . . . . .	(1,210,240)†	(74,400)†
TOTAL. . . . .	3,703,840	744,920

\*Tabulated by the Province of Saskatchewan for the Sask. Res. Comm. from *Sessional Papers* and *Annual Reports* of the Department of the Interior.

†Items in brackets indicate excess of cancellations over entries.

The acreage of "purchased homesteads" in both provinces was much smaller and the cancellations much fewer. In Saskatchewan the net area entered up to 1918 was 819,320 acres, with cancellations of 74,400 acres until 1930. The total number of entries was given by the Dominion<sup>18</sup> as 5,816, with cancellations of 1,011 or over 17.3 per cent. The total acreage of "purchased homesteads" patented in Saskatchewan was given as 671,299 acres, with 32,563 acres still unpatented in 1930.

In Alberta where the area of "purchased homesteads" from 1908 to 1918 was 408,800 acres the cancellations were 50,880 acres or less than 12.5 per cent. The area of "purchased homesteads" patented

<sup>17</sup> Alberta Res. Comm.

<sup>18</sup> Sask. Res. Comm.

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was given by the Dominion<sup>19</sup> as 272,140 acres with 12,298 acres still unpatented in 1930.

It would be rash to generalize too widely from this experiment during a single decade which included a "land boom" and the world war. The excessive rate of cancellations, (50 per cent. in Saskatche-

TABLE XVIII—PRE-EMPTIONS AND PURCHASED HOMESTEADS IN ALBERTA, 1908-1918\*

YEAR	PRE-EMPTIONS (ACREAGE)		PURCHASED HOMESTEADS (ACREAGE)	
	Entered	Cancelled	Entered	Cancelled
1908-09. . . . .	737,440	93,280	33,280	.....
1909-10 . . . . .	1,261,920	286,880	53,920	..
1910-11 . . . . .	1,102,560	488,320	85,120	.
1911-12. . . . .	845,920	280,000	65,600	11,200
1912-13 . . . . .	614,400	283,360	68,640	9,600
1913-14. . . . .	256,160	126,080	38,080	9,760
1914-15. . . . .	119,200	119,360	19,040	7,840
1915-16 . . . . .	92,640	53,760	14,880	4,960
1916-17. . . . .	73,120	49,600	17,600	5,280
1917-18 . . . . .	36,800	27,520	12,160	1,920
1918-19. . . . .	800	640	480	320
1919-20. . . . .	1,120	10,560	..	.....
1920-21. . . . .	640	1,280	.	.....
TOTAL. . . . .	5,142,720	1,820,640	408,800	50,880

\*Tabulated by the Province of Alberta for the Alberta Res Comm from *Sessional Papers* and *Annual Reports* of the Department of the Interior.

wan and 35.4 in Alberta) for "pre-emptions" is partially explained by the fact that many entries were made by new homesteaders in semi-arid districts during years of exceptional inflation after which cancellations were general in all categories of Dominion Lands. The "purchased homesteads", on the other hand, were taken up by established settlers whose resources carried them more easily over the depression. In any event the tendencies towards larger holdings were materially strengthened by the decade of "pre-emptions" and "purchased homesteads" after 1908. By 1921 (see Table XIX) the percentage of farms in Saskatchewan over 200 acres had risen from 38.56 per cent. in 1901 to 67.45 per cent. The process continued,

<sup>19</sup> Alberta Res. Comm.

however, after 1918: by 1926 it had become over 70 per cent., and the average Saskatchewan farm was 389 acres. There were obviously many tendencies at work in addition to the "pre-emption" and "purchased homestead" regulations of 1908.

(d) *South African Veterans Scrip, Soldier Grants, Second Homesteads, and Land Companies.* The tendencies towards larger holdings were promoted by several other variations of the free-homestead system which cannot be explored here in detail. In 1908 the Volunteer Bounty Act (7-8 Edw. VII, c. 67) authorized the grant

TABLE XIX—SIZE OF FARMS IN SASKATCHEWAN\*

CENSUS YEAR	PER CENT. OF HOLDINGS			
	Under 51 Acres	51-100 Acres	100-200 Acres	Over 200 Acres
1901. . . . .	1 10	0 53	59.81	38 56
1911. . . . .	.69	.63	50 87	47.81
1921. . . . .	.86	.67	31.02	67.45
1926. . . . .	1.04	.65	28.25	70.06

\*From *Report of Saskatchewan Royal Commission on Immigration and Settlement* (Regina: 1930), p. 93. Average farm in 1926, 389 acres.

of two adjoining quarter sections of Dominion Lands without fee but with the usual homestead duties to volunteers (including female nurses) in the South African war. Transferable scrip was issued by the Minister of the Interior on warrants issued by the Minister of Militia. The net result was a repetition of "military bounty" in its worst form. "Inside a year," claimed the senior counsel for Saskatchewan,<sup>20</sup> before the Resources Commission for that province, "half of it was held by speculators." The date of location for the two adjoining quarter sections finally expired (3-4 Geo. V, c. 55) on October 31, 1913, but up to December 31, 1914, the grantee was authorized (2 Geo. V, c. 52, 1912) to receive \$500 in cash upon the surrender of his rights under the Volunteer Bounty Act. The land grant thus degenerated into a cash bonus, but the tendencies were confirmed towards the 320 acre homestead, and the ubiquitous speculator, as usual, prospered in the process. Of some 1,250,000 acres of South African scrip taken up in Saskatchewan more than 95 per cent. (1,199,853 acres) were patented—a tribute to the acquisitiveness of the speculator rather than to the pertinacity of

<sup>20</sup> P. H. Gordon, K. C., Sask. Res. Comm.

the South African veteran. In Alberta the results were equally obvious. Of 1,063,360 acres granted, no less than 1,017,303 or nearly 96 per cent. were duly patented.

Soldier Grants under the provisions of the Soldier Settlement Act of 1917 (7-8 Geo. V, c. 2) reverted to the quarter-section homestead with the usual homestead duties but without the fee. In Saskatchewan the net area granted was 725,920 acres, of which 226,247 acres were duly patented. In Alberta where some 1,178,000 acres were granted, the cancellations were 334,560 acres or 28.4 per cent. Of this area only 149,333 acres had been patented up to 1930.<sup>21</sup> The return to the quarter-section grant took place under the advice of the Soldier Settlement Board, but the financial details of "Soldier Settlement" lie beyond the scope of land policy.

Second homestead, after the orgy of fraudulent practices from 1883 to 1886,<sup>22</sup> were carefully restricted in the regulations of 1928 to those who had "proved" their original homesteads before 1925. Several motives were assigned for this policy. A preliminary measure in 1923 (13-14 Geo. V, c. 44) was designed "to provide for the removal of homesteaders from the southern part of Saskatchewan, the drought area, to the northern part." In 1928 the tendencies here outlined towards larger holdings were reinforced by the desire of the pioneers to provide for the second generation. In Saskatchewan the estimated net acreage entered under second homestead regulations from 1929 to 1931 was 704,240 acres. In Alberta the entries for second homesteads from 1928 to 1930 amounted to 1,104,640 acres. Cancellations were not recorded in the departmental reports.

How far the trends towards larger holdings indicated in Table XIX have been promoted by land policy and how far determined by more fundamental economic conditions within and without the province it would not be easy to estimate. One agency of the first importance must be noted again in this context. Land companies like land grant railways derived from the Canadian free-homestead system a subtle advantage which they were not slow to improve in dealing with the enterprising settler from the United States. The most reputable companies were content to rely upon the free homestead to double the price the homesteader was willing to pay for the adjacent quarter section. The argument was stated convincingly from every "buckboard" and "democrat" in the days of the big

<sup>21</sup> Alberta Res. Comm.

<sup>22</sup> See above, section 4 in this chapter.

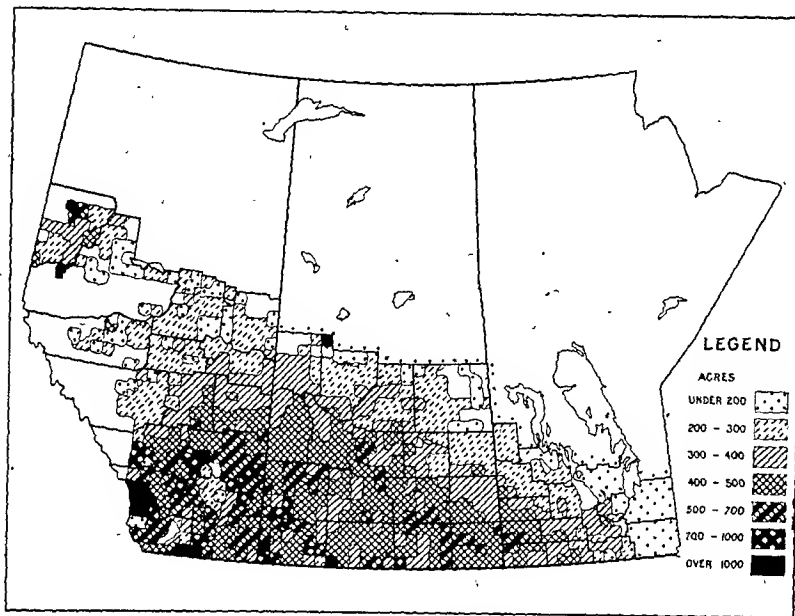
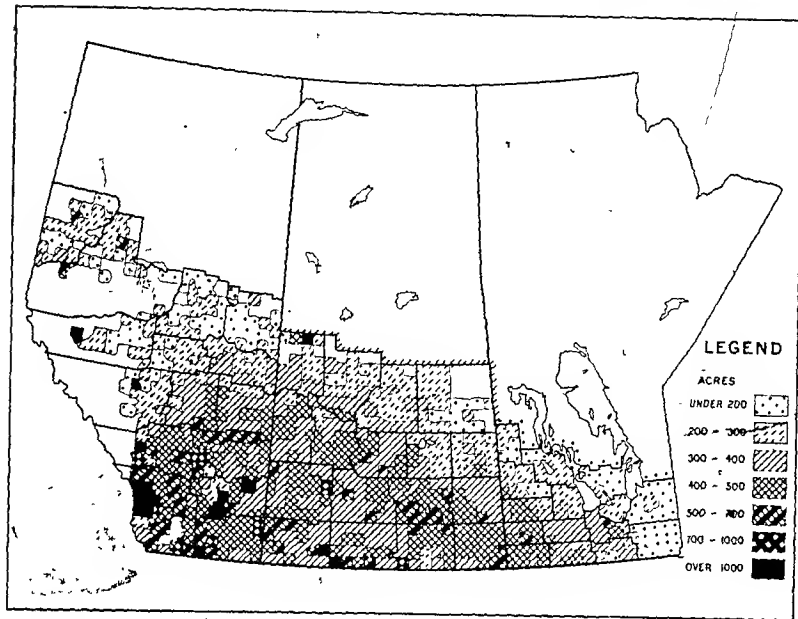
land companies: 160 acres of free land *plus* 160 acres at \$12 per acre netted the homesteader 320 acres at an average price of \$6 per acre. It netted the land company or the railway also \$12 per acre, whereas a uniform sales policy for all Dominion Lands would have netted the government \$6 per acre. The land company got \$12 per acre for its land because the government gave away homesteads for nothing. Less reputable companies exploited the system to order, by the fraudulent practice of "blanketing" the homesteads until a prospective purchaser appeared for the adjoining property. Homestead entries made "by attorney" under fictitious names were obligingly cancelled in favour of their clients. Perhaps the greatest impulse of all towards large holdings came from sources that were less dependent upon the free-homestead system. The Saskatchewan Valley Land Company administered not only vast railway land grants of odd-numbered sections purchased from the Qu'Appelle, Long Lake and Saskatchewan line but a quarter of a million acres of intervening even-numbered sections—hitherto homestead lands—purchased from the government at \$1 per acre. The stipulation, however, that twenty settlers must be placed upon free homesteads for every twelve upon the even-numbered sections purchased from the government integrated even the Saskatchewan Valley Land Company with the free-homestead system. It was in districts like these that the Minister reported "the largest wheat field I ever saw in my life."<sup>23</sup> Again physiography may have had the casting vote in this development. The smaller farms in Figures 27 and 28 are to be found not only upon the marginal "fringes" of settlement but in the comparatively humid crescent of the Red River Valley and Park Belt. The semi-arid areas contain the largest farms; and the trend towards larger holdings may simply have been a process of adapting the free-homestead system, as in the United States west of the hundredth meridian, to abnormal physiographical conditions.<sup>24</sup>

## 2. *The Passing of the Free Homestead*

It is already obvious that the function of the free-homestead system in the settlement of Western Canada is scarcely to be esti-

<sup>23</sup> For the technique of the Saskatchewan Valley Land Company, see above, Chapter V., section 4, and Volume III of this series.

<sup>24</sup> Compare, however, the emphatic opinion of Thomas Greenway during the discussion of the "pre-emption" and "purchased homestead" regulations "I have considered the land policy of respective governments for a long number of years, nearly thirty years, and I am one of those who have come to the conclusion that it would have been much better in the interests of the west, if 160 acres, and 160 acres alone, were given for a homestead. That is my opinion after full consideration." See *Debates of the House of Commons*, 1906-07, pp 4690 ff



FIGS. 27-28—Mean size of farms in 1921 (above) and 1926 (below). Compiled from the *Census of Manitoba, Saskatchewan, and Alberta, 1926*. The territorial unit is the municipality.

mated from the patent registers or the statistics of homestead entries. The free homestead overcame the initial inertia towards land settlement, contributed the earliest traffic for the railways and the readiest sale for railway-lands. It supplied purchasers for school lands at enhanced prices. It stimulated land sales and doubled prices for the ubiquitous land company. It provided entrants for "pre-emptions" and "purchased homesteads", and afforded worldwide publicity for national features of Dominion Lands policy. At every stage of frontier settlement the free-homestead system had indirect results scarcely less significant than the function it was originally intended to discharge.

For any sustained "movement" of population towards the frontier the homestead entries are perhaps more significant than the patent registers. The difference between the two may be taken to represent the wastage of the free-homestead system in human material, the toll of human enterprise exacted from those who had the courage to make homestead entry but fell in no man's land before gaining their first objective, the ownership of their own homestead. How do the homestead entries compare with the homesteads patented or still under homestead entry in the Prairie Provinces for the cycle of Dominion Lands from 1870 to 1930?

The acreage of homestead entries is not easily computed. Allowing three years before patent, the period from 1870 to 1927 must be set against the patents to 1930. The statistics in Tables XX and XXI, supplied to the Manitoba Resources Commission, were avowedly "approximate"; and the translation of "entries" into acreage is even more tentative. With a total of 62,564 homestead entries in Manitoba before 1905, and 455,091 entries in the three provinces from 1905 to 1927, the total number of homestead entries for the Prairie Provinces up to 1927 would be 517,655—an estimated area of 82,824,800 acres. In addition to this the acreage "entered for" in the territories before 1905 was given by the Dominion<sup>25</sup> as 10,229,000 acres in what is now the Province of Saskatchewan and 5,944,000 acres in what is now the Province of Alberta—a gross total of 98,997,800 acres of original homestead entries in the settlement of Western Canada up to 1927.<sup>26</sup>

<sup>25</sup> Man. Res. Comm.

<sup>26</sup> Much of this acreage was of course made up of re-entries after cancellations. It must be noted also (Table XX) that the Manitoba entries before 1905 may have included, through the Winnipeg office of the Department, a considerable acreage listed officially from the territories, and therefore appearing twice in these statistics.

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The proportion of this area which remained permanently under homestead is more easily computed. The records from the patent registers are more consistently reliable. The total acreage "entered for" and patented in Saskatchewan from 1905 to 1930 was given by the Dominion as 18,120,039 acres, with 2,585,100 acres under entry but unpatented in 1930—a total of 20,705,139 acres.<sup>27</sup> In addition to this there were 6,042,778 acres "entered for" before 1905 but

TABLE XX—HOMESTEAD ENTRIES FOR MANITOBA, 1870-1905\*

YEAR	NUMBER ENTRIES	YEAR	NUMBER OF ENTRIES
1872.....	283†	1889..	2,446
1873 .....	878†	1890... ..	1,401
1874 ....	1,376†	1891 ... ..	1,651
1875.....	499†	1892 .....	1,687
1876.....	347†	1893 .....	1,276
1877. ....	832†	1894†. ....	3,209
1878... ..	1,753†	1895†. ....	2,394
1879 .....	3,876†	1896†. ....	1,857
1880.....	2,074†	1897... ..	607
1881.....	2,730	1898.....	1,428
1882.....	6,262	1899 .....	2,124
1883.....	3,041	1900.....	2,154
1884 .....	2,162	1901.....	1,935
1885 .....	722	1902. ....	2,260
1886 .....	1,088	1903 .....	3,253
1887... ..	1,138	1904.....	2,005
1888 .....	1,816		
		TOTAL.....	62,564

\* Man. Res. Comm. The acreage entered for in the Territories before 1905 was given as 10,229,000 acres in what is now the Province of Saskatchewan and 5,944,000 acres in what is now the Province of Alberta.

† Including certain entries from the Territories.

patented afterwards,<sup>28</sup> and a gross acreage of 2,780,415 acres "entered for" and patented in what is now Saskatchewan before 1905. For Saskatchewan, therefore, the total acreage patented up to 1930 has been 26,943,232 acres with 2,585,100 acres still unpatented—a total acreage under homestead (1930) of 29,528,332 acres.

For Alberta the corresponding acreage entered for and patented

<sup>27</sup> Sask. Res. Comm. This, of course, would include "entries" after 1927.

<sup>28</sup> *Ibid.*



from 1905 to 1930 was given by the Dominion as 12,016,000 acres, with 3,803,700 acres under entry but unpatented—a total of 15,820,699 acres.<sup>29</sup> To this must be added 3,284,624 acres “entered for” before 1905 but patented afterwards,<sup>30</sup> and a gross acreage of 1,608,523 acres “entered for” and patented in what is now Alberta

TABLE XXI—HOMESTEAD ENTRIES (NUMBERS ONLY) FOR THE  
PRAIRIE PROVINCES, 1905-1927

YEAR	MANITOBA (no.)	SASKATCHEWAN (no.)	ALBERTA (no.)	TOTALS (no.)
1905 . . . . .	1,707	19,787	9,138	30,632
1906 . . . . .	1,806	27,692	12,263	41,761
1907 . . . . .	1,231	13,501	6,843	21,575
1908 . . . . .	1,748	18,825	9,614	30,187
1909 . . . . .	3,727	21,154	13,771	38,652
1910 . . . . .	2,529	21,575	17,187	41,291
1911 . . . . .	3,082	25,227	15,964	44,273
1912 . . . . .	3,158	20,484	15,184	38,826
1913 . . . . .	2,826	17,556	12,942	33,324
1914 . . . . .	3,186	14,504	12,208	29,898
1915 . . . . .	4,420	8,790	10,076	23,286
1916 . . . . .	3,960	6,247	6,410	16,617
1917 . . . . .	2,276	4,105	4,550	10,921
1918 . . . . .	1,593	2,741	3,808	8,142
1919 . . . . .	813	1,191	2,169	4,173
1920 . . . . .	1,232	1,918	3,448	6,598
1921 . . . . .	725	1,670	2,874	5,269
1922 . . . . .	1,488	2,733	2,928	7,149
1923 . . . . .	879	2,104	2,207	5,190
1924 . . . . .	632	1,699	1,347	3,678
1925 . . . . .	464	1,804	1,192	3,460
1926 . . . . .	616	2,363	1,556	4,535
1927 . . . . .	797	2,702	2,145	5,644
TOTALS . . . . .	44,895	240,372	169,824	455,091

before 1905. For Alberta, therefore, the total area of free homesteads patented up to 1930 has been 16,910,147 acres, with 3,803,700 acres still unpatented—a total acreage under homestead (1930) of 20,713,847 acres.

The homestead acreage patented in Manitoba in 1929 was given

<sup>29</sup> Alberta Res. Comm. This also includes “entries” after 1927.

<sup>30</sup> *Ibid.*

by the Dominion as 7,522,957 acres with 460,000 acres under entry but not patented—a total of 7,982,957 acres under homestead in 1929.

The total acreage of homesteads at the close of Dominion Lands administration in 1930 was thus about 58,225,136 acres. Of this area 6,848,800 acres remained unpatented.

A comparison of this acreage actually under homestead in 1929 and 1930 with the estimated acreage of homestead entries since 1870 would illustrate something of the wastage of human material that must have attended the free-homestead system in Western Canada. Of nearly 99,000,000 acres under homestead entry scarcely more than 58,225,000 acres—a little over 58.8 per cent.—were patented or remained under homestead entry in 1930. For the Province of Alberta it was estimated<sup>31</sup> that more than 15,880,000 acres out of a total of 34,650,000 acres under homestead entry in that province from 1905 to 1930 had been cancelled—nearly 46 per cent. The Dominion estimated for the Saskatchewan Resources Commission—"the only reliable data we have been able to get in the time at our disposal"—that cancellations in Saskatchewan alone from 1911 to 1931 were 63,159 out of 110,303 entries, or about 57 per-cent. By comparison with these estimates for recent years the survey attempted above for the whole period of Dominion Lands would appear to be somewhat conservative. More than 41 per cent. of original homestead entries from 1870 to 1927 were cancelled: more than forty-one out of every hundred Canadian homesteaders fell by the wayside before acquiring patent to their original homesteads. How many after acquiring patent turned their homesteads over to speculators and land companies it would perhaps be impossible to estimate. It will be conceded that in some respects "free" homesteads have been costly beyond computation. The great Homestead Act of 1862 was once characterized as a wager in which the United States staked a quarter section of land that a man could not live on it for five consecutive years. In Canada the odds have been easier—three years instead of five—but all too many wagers have been lost by the settler in the silent but deadly attrition going on upon the frontier.

The ratio, meanwhile, of land sales to free homestead entries would be an interesting speculation which it will be unnecessary to anticipate at this stage. In 1902 Clifford Sifton estimated that "fully one-half of the settlers that are actually located on the land

<sup>31</sup> By the province from the annual Reports of the Department of the Interior. Alberta Res. Comm.

in the West are located on purchased lands and have not taken up homestead at all."<sup>32</sup> Five or six years later, as we have seen, Sifton's successor in the Department of the Interior estimated that land subsidies "earned" by the land grant railways (about 31,750,000 acres) were "just about the same amount as, up to the present, have been opened up as homesteads."<sup>33</sup> Thereafter the acreage for homesteads forged steadily ahead until it surpassed by far the area alienated under any other single category of Dominion Lands. In 1909 the Dominion granted an area larger than Vermont in free homesteads. In 1910 the free homestead entries were more than twice the area of Connecticut; in 1911 more than Delaware and New Hampshire together; in 1912 a little less than Maryland; in 1913 more than Massachusetts; in 1914 more than the area of Wales. This profusion could scarcely continue indefinitely. Despite the alienations for free homesteads, however, land sales continued with remarkable regularity. As the supply of eligible free lands decreased, marginal areas were pressed into use. Railway land grants, school lands, and Hudson's Bay lands continued to supply much of the acreage needed for systematic summer fallowing. "Pre-emptions" and "purchased homesteads" supplied their quota in the same process. Land companies ranged at large with acreage accumulated from a variety of sources—from the railways<sup>34</sup> and the Hudson's Bay Company to the "professional homesteader" and the homestead purchasers of "pre-emptions" and "purchased homesteads". Second homesteads offered in 1923 were regarded as measures of readjustment, but the second homestead legislation of 1928 had a general application to Dominion Lands, and passed with scarcely a ripple of adverse comment. Free homesteads were now to be found only on the remoter frontiers of settlement. No longer was the free-homestead system (as in 1905 and 1916) indispensable "for the purposes of the Dominion"; and the transfer of the remaining resources to provincial control in 1930 without reservation was an indication that the free-homestead system like the railway land grant system—the twin "purposes of the Dominion" in retaining control of the public lands in 1870—had fairly run its course.

It was charged against the Conservative administration of

<sup>32</sup> *Debates of the House of Commons*, 1902, Vol. II, p. 2981.

<sup>33</sup> Hon Frank Oliver, in *Debates of The House of Commons*, 1908, Vol. VI, p. 11,126.

<sup>34</sup> Between 1903 and 1906 the C.P.R. disposed of many large blocks of railway land grants, ranging in size as follows: 54,049 acres, 54,022 acres, 27,346 acres, 64,963 acres, 9,907 acres, 116,483 acres, 500,000 acres (a cash transaction for \$2,080,000 to the Western Canada Land Company, July 31, 1906), 223,124 acres (The Knight Sugar Company, Nov. 25, 1903) etc. Alberta Res. Comm.

Dominion Lands that they had put an end to the railway land grant system in 1894 only because they had come to the end of eligible land grants of odd-numbered sections "fairly fit for settlement" for the railway companies. It may perhaps be added that the Liberal administration brought the free-homestead system virtually to an end in 1930 only because the resources of Dominion Lands fairly fit for settlement were now also coming to an end. How much of Western Canada remains to be explored as a frontier of settlement will be discussed elsewhere in this series. It is safe to say that the chief problem of the provinces in assuming so belatedly the control of their lands will be not the "movement" of a great migration to the frontier but the slow and toilsome task of appraising the varied physiographical and economic conditions to be found in Western Canada and of adjusting or readjusting more permanently a pioneer population to them. As minor salients in the line advance or recede many local skirmishes with truly frontier conditions will remain to be fought. But "the battle with the wilderness" may now be regarded as fairly lost or won. For the first time perhaps the indiscriminate *élan* of the general advance may fairly be measured against the casualties, the attrition of resources and human material.

However slow and difficult the process of readjustment may prove to be, it is impossible to reflect upon the national emergencies of 1867 and 1870 without admiration for the courage and resourcefulness brought to bear upon them. Half-a-dozen disintegrated provinces confronted an almost impenetrable wilderness. It required courage and resourcefulness of a high order to contravene constitutional usages and to appropriate this empire of Dominion Lands for sixty years "for the purposes of the Dominion." Three provinces, created in the process, have now at last been endowed with what remains of their public lands. That the historic "purposes of the Dominion" in 1870 were worthy and that they have now been worthily achieved, will scarcely be disputed. Some of the best minds in the public life of Canada have administered the Department of the Interior. Many of the subtleties and pit-falls of Dominion Lands administration were inescapable. It would be hard to imagine four more unruly policies to be harnessed and co-ordinated to the purposes of federal administration than Hudson's Bay lands, school lands, railway land grants, and free homesteads. And if the staff work, so to speak, has been of a high order, so also, beyond question, has been the spirit and temper of the western Canadian pioneer. In the last analysis it has fallen to the humble

homesteader, the man in the front-line trenches, to decide the fortunes of the day. It was there that the frightful unrecorded casualties of the free-homestead system are to be found in their true proportions. Where more than 41 per cent.—nearly 46 per cent. for Alberta from 1905 to 1930, and 57 per cent. for Saskatchewan from 1911 to 1931—fell in no man's land before making their first objective, it can scarcely be claimed that the "conquest of the wilderness" was easily won or effectually consolidated. Such has been the real cost of the western Canadian frontiers of settlement.

## CHAPTER XI

### SWAMP LANDS, GRAZING, TIMBER, MINING, AND WATER RIGHTS

SEVERAL categories of Dominion Lands will require less detailed examination in a survey which is concerned primarily with policy rather than with details of administration. Forest reserves and timber berths, grazing leases, and several other types of resources involving no permanent alienations in the usual sense, were subject, on occasion, to considerable controversy, but involved no policies that could not be dictated, in the end, by the provinces themselves upon assuming the control of their public lands. At least one of these categories—the “swamp lands” of Manitoba—was unique in the administration of Dominion Lands.

#### *1. Swamp Lands*

The precedents for swamp lands, transferred to the Province of Manitoba by the “better terms” of 1885, were to be found as usual in the United States. In Canada the policy proved so exotic that it was never applied to Saskatchewan and Alberta; and even for Manitoba it was altogether abrogated when the boundaries were extended and the subsidies in lieu of lands were adjusted to those of the younger provinces in 1912.

In the United States three “public land” states—Louisiana, Florida, and Arkansas—received approximately three-fifths of all the swamp lands granted from the public domain. The original purpose in Louisiana was to reclaim “swamps or overflowed lands, which may be, or are, found unfit for cultivation.” The inundations of the Mississippi valley could be a public menace. The state in constructing 1,400 miles of levees had enabled the Land Office to reclaim over 3,000,000 acres of the public domain, and it was advanced as fair compensation that lands so reclaimable by state expenditures should be transferred to state administration. The original Act of 1849 applied only to Louisiana, and was intended to aid that state “in constructing the necessary levees and drains to

reclaim the swamps and overflowed lands therein." It was provided that "the proceeds of said lands . . . shall be applied exclusively, so far as necessary, to the purpose of reclaiming said lands by means of levees and drains." Within little more than a decade the policy was extended to no fewer than fifteen other public land states, and more than 52,000,000 acres were claimed as "swamp lands". The total claims up to 1922 amounted to more than 83,000,000 acres, nearly 64,000,000 of which had been approved and patented<sup>1</sup>—an area equal to that of all the New England states, together with New Jersey, Delaware, Maryland, and West Virginia.<sup>2</sup>

The fraudulent practices resorted to by interested agents who were paid by commission on the acreage successfully claimed from the public domain, were soon equalled by those of state representatives in Congress and private interests within the public land states. "No better bait," says Hibbard, "was ever thrown to speculators." Swamp land frauds, wrote the Land Commissioner, "could be cited almost without number", until "swamp land swindle" became a by-word of reproach. The proceeds were applied to "almost every purpose other than that intended by Congress." Swamp lands were sometimes conveyed to railways as in Minnesota, ceded to counties as in Missouri, Iowa, and Illinois, or exploited by private interests. The administration of swamp lands came to form one of the worst chapters of fraud in the history of the public domain. "Fraud ran riot." There was "wholesale fraud in choosing the land. Little better is the story of their disposal by the states." The achievement of the original purposes of the Act was "trifling".

The introduction of a "swamp lands" policy for Dominion Lands was undoubtedly due to the desperate fiscal needs of the Province of Manitoba. Without public lands as a source of revenue, and until 1882 without compensation in the form of "subsidy in lieu of lands", the provincial government attributed its poverty to federal policy until perennial pilgrimages to Ottawa resulted at last in "better terms". Those of 1885 included the unique provisions with regard to "swamp lands".

In Manitoba as in Louisiana there had been a fair case on its merits for a reclamation policy. As early as 1880 (April 8) an Order-in-Council had authorized "a system of drainage for the reclamation of marsh lands" at the expense of provincial funds held in trust by the Dominion, on condition that "a free grant would be made to the

<sup>1</sup> B. H. Hibbard, *History of the Public Land Policies*, (New York, 1924) p. 274.

<sup>2</sup> Thomas Donaldson, *The Public Domain*, (Washington: 1884) p. 221.

Province of the even-numbered sections" of such lands "so made available for cultivation and sale." By 1884 about 250,000 acres had been reclaimed, and 112,146 acres were duly conveyed to provincial control.

The "better terms" of 1885 reduced this tentative experiment to a definite policy by providing (48-49 Vict., c. 50) that "all crown lands in Manitoba which may be shown to the satisfaction of the Dominion Government to be swamp lands, shall be transferred to the Province and enure wholly to its benefit and uses." From the outset, however, the most flagrant abuses of the system in the United States were forestalled or remedied. The lands were selected by two federal commissioners, and were transferred to the province, at first in quarter sections, or in some instances in lots as small as forty acres, and subsequently in larger blocks of several sections at a time. The cost of inspection was charged against the province. The total acreage transferred to Manitoba was finally given as 2,012,416 acres.<sup>3</sup> Of this area 850,064 acres had been sold by the province by 1912 for \$3,189,168,<sup>4</sup> and the rest, under the terms of that year's agreement, then reverted to the Dominion. Up to 1900 the price per acre averaged less than \$3 per acre, but by 1911 it had risen to more than \$6. The average price for the whole period was about \$3.75 per acre.

Drainage and swamp lands together with the acreage which devolved upon the province from the Manitoba and North-Western Railway land grant<sup>5</sup>—some 542,560 acres—formed the only considerable area administered by the Prairie Provinces before 1930. For purposes of comparison in a later chapter it may be advisable to record here that the total acreage (including re-sales) sold by the province from 1900 to 1929 was 1,704,143 acres for a gross sales price of \$6,460,629, an average of a little less than \$3.80 per acre. Of this area, land warrants for some 256,000 acres were sold back to Mackenzie and Mann in 1904 for \$400,000, an average price of \$1.56 per acre. The cancellations from 1900 to 1929, it may be added, amounted to 434,135 acres, or about 25.47 per cent.

The sales policy, if so it can be called, of the province, marked no radical departure from that of the land grant railways or the larger land companies. Advertisements frequently appeared in the local press or in special editions of newspapers in the United States. For some years commissions were paid (ten cents per acre) for land

<sup>3</sup> Sask. Res. Comm.

<sup>4</sup> Man. Res. Comm.

<sup>5</sup> See above p. 286.



sales, until collusion was discovered between purchasers and hypothetical agents in order to claim the commission, and the practice was promptly discontinued. It was the opinion of the Deputy Minister in Manitoba that "sixty per cent. of our land was purchased by speculators", and about forty per cent. by actual settlers. The sale to speculators was defended upon the ground that "they expended a great deal of money in many directions for the purpose of bringing in purchasers, mainly settlers."

When the boundaries of Manitoba were extended in 1912 and the subsidies in lieu of lands adjusted to those of Alberta and Saskatchewan, one of the most curious and anomalous transactions in the tangled relations with the Dominion was the arrangement with regard to swamp lands. Not only were the unsold swamp lands returned to the Dominion but the province was debited with the proceeds of swamp lands sales to 1912. In effect, the provisions with regard to swamp lands in the "better terms" of 1885 were rescinded retroactively from the beginning, before the province was permitted to share the higher schedule of land subsidies enjoyed by Saskatchewan and Alberta after 1905. The swamp lands that remained unalienated were easily transferred back to the Dominion, but the proceeds from the sale of swamp lands were charged against the new subsidy in lieu of lands, and Manitoba continued to receive nearly \$153,500 per year less than the younger provinces for the same scale of population until the settlement of the Manitoba Resources Case in 1930. The proceeds from swamp lands from 1885 to 1912 were then transferred to capital account, so to speak, and subtracted from the additional compensation claimed by the province, thus reducing the award from \$7,654,069 to \$4,584,212, and leaving the full subsidies in lieu of lands "payable thenceforth in their entirety as set out in the Alberta Act and the Saskatchewan Act."

## 2. *Grazing Lands*

In a region where so many districts were definitely semi-arid and where the chief problems of land utilization have turned upon the rainfall, the importance of grazing and ranching industries might be expected to stand in inverse ratio to land sales and free homesteads for agricultural purposes. The suitability of certain areas for grazing only was but slowly recognized. The limitations of feasible agriculture were left for many years to the decision of those least fitted to estimate them, and least equipped to pay the bitter price of error—the frontiersman whose primitive methods of trial and error

were costly above all other expedients for the settlement of Dominion Lands.

Grazing leases to *bona fide* settlers in the neighbourhood were authorized by section 34 of the first Dominion Lands Act of 1872. In 1876 (39 Vict., c. 19) grazing leases were granted to ranchers subject to cancellation upon two years' notice if the lands were required for agricultural settlement. An Order-in-Council of May 18, 1881, fixed the maximum range of time at 21 years and the maximum area at 100,000 acres. The rental was fixed at one cent per acre. From the outset the regulations were continued for terminating grazing leases at two years' notice for lands required for normal settlement. Five years later rentals in certain areas were increased to two cents per acre, and the following year (1887) leases were thrown open to public tender except for actual settlers whose leaseholds were restricted to four sections. A few months later (September 17, 1887) new regulations provided for open leases for 21 years, terminable at any time for homestead entry or pre-emption. The maximum area was retained at 100,000 acres. These regulations continued in force with minor alterations from time to time until 1903.

It was not until 1905 (February 15 and July 27) that closed leases were introduced for certain areas deemed clearly unfit for normal agriculture. Hitherto the whole range of unoccupied Dominion Lands had been open alike to grazing leases and to agricultural settlement. The continuation, however, of open leases subject to cancellation at two years' notice left the boundaries of grazing and normal agriculture still indeterminate. In these conditions the attrition between the rancher and the homesteader went on almost uninterruptedly, leading both into marginal areas where mal-adjustment of one or both was almost inevitable. The Order-in-Council of July 27, 1905, confined the issue of grazing leases to a tract south of the 29th township in Alberta and to certain corresponding areas in Saskatchewan. Perhaps the most distinctive advance of the regulations of that year was the provision for preliminary inspection and supervision. Leases were to be granted subject to an official report from the Inspector of Ranches that the land was unfit for normal agricultural purposes. The differentiation between grazing and normal agriculture was now definitely though not very clearly established. The chief defect was still the uncertainty of tenure. Horses of inferior quality could be reared on the open ranges, but the cattle industry was as yet in its infancy.

In 1912 a commission was appointed under the chairmanship of G. H. Pope, with Walter Huckvale and Clarence F. Graham as his colleagues, to investigate the whole ranching industry in Western Canada and to recommend regulations for its encouragement and promotion. The result was a terse and discerning report based upon public sittings over a period of two months during which the amplest discussion was invited at no fewer than thirteen ranching centres in Alberta and Saskatchewan. The commission recommended the principle of setting aside permanently for grazing purposes certain lands that were clearly unfit for homestead settlement or sale. These districts are shown on the accompanying map (see Fig. 29) prepared by the Commission for that purpose. It was everywhere agreed that security of tenure was indispensable if the cattle industry was to recover from the vicissitudes to which it had been subjected for many years. The two years' cancellation clause which had accompanied all grazing leases with the exception of the limited range of "closed leases" provided in the regulations of February 15, 1905, was now to be abolished, and leases were to be granted for ten years with prior rights of renewal. A minimum of one animal for every thirty acres was to be enforced by rigid regulations. The maximum area under lease was to be 24,000 (eventually 12,000) acres. Hay was to go with the lease but must be fed on the premises and not sold. Lessees were encouraged to cultivate any arable land available for purposes of winter feeding. Where "lands adjacent to leases and unfit for agricultural purposes" had been "homesteaded with disastrous consequences both to the homesteader and rancher", the homesteader was given right of re-entry outside the restricted area, and the abandoned homestead was leased for ranching. Preference was to be given to those prepared to feed their stock in winter in order to encourage "mixed farming in every way possible." Provision was made for the grazing of sheep, and closed leases were extended to special districts outside the restricted area if rated unsuitable for normal agriculture.<sup>6</sup> These provisions were promptly put into force by Order-in-Council (P.C. 296) February 16, 1914, and remained almost unaltered until the public lands were transferred to provincial control in 1930.

The area under grazing leases in Saskatchewan at the time of the transfer in 1930 was 3,346,212 acres. In Alberta the area of grazing leases increased from 1,551,372 acres in 1905 to 3,220,161 acres at

<sup>6</sup> *Report of the Ranching and Grazing Investigation Commission* (Ottawa: Department of the Interior), 1913.

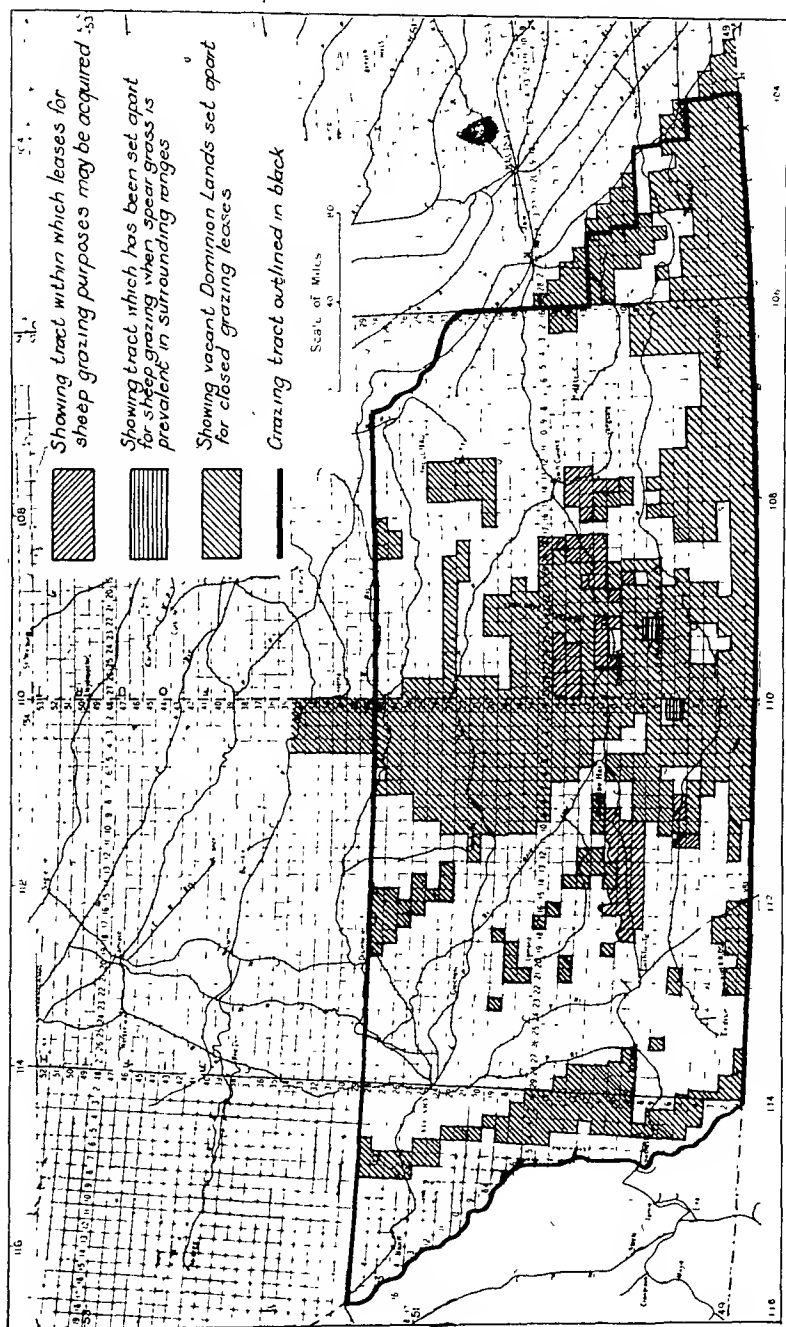


FIG 29—Map showing the grazing tract (outlined in black) as set apart by the Ranching and Grazing Investigation Commission, 1913.

the time of the transfer in 1930. No fewer than ten of the chief ranching interests in Alberta held leases at that time ranging in the aggregate from 25,600 to 51,800 acres each. By far the majority, however, ranged from 80 acres to a quarter section. Of 3,925 grazing leases in 1934 in Alberta, 152 comprised more than six sections, 493 ranged from one to six sections, 872 from a quarter section to a section, 2,254 from 80 acres to a quarter section, and 154 contained 80 acres or less. The Dominion made a practice of leasing vacant school lands to homesteaders in the neighbourhood at a somewhat higher rental of four cents per acre. Nearly a million acres of school lands in the Prairie Provinces were under lease at various times in this way.

Statistics and regulations give but a remote and indistinct impression of one of the most picturesque and at the same time one of the most precarious industries of a frontier community. The vicissitudes through which the ranching industry has passed in Western Canada cannot be traced here. Tariffs and world conditions, freight rates and quarantine, and above all climatic variations upon the ranges themselves, have all appeared in the picture. Many of the most prosperous ranges in Alberta were nearly ruined by the disastrous winter of 1906-1907. By spring the indebtedness of the ranchers at the banks in order to feed their stock during the winter was more than the cattle were worth. With investments so large, hazards so dangerous, and periodical losses so ruinous, low rentals and permanency of tenure were indispensable. Perhaps the most favourable conditions were reached in association with the Calgary and Edmonton and the Alberta Railway and Irrigation Company land grants—another aspect of the much maligned land grant railway or land company which deserves a better reputation. In locating its land grant from the government, the Calgary and Edmonton Railway secured the coöperation of many of the largest leaseholders of grazing lands for a scheme which resulted in the mutual advantage of all three interests concerned. The Company undertook to sell their land at nominal prices ranging from \$1 to \$1.50 per acre. The government coöperated by terminating the leases by mutual consent (April 22, 1893) and granting the railway land subsidies, as we have seen, in solid blocks suitable for grazing. Many of the most successful ranching companies in Western Canada—the Cochrane ranch, the Bar U and other large ranges—secured permanent resources for their industry in this way. The Alberta Railway and Irrigation Company followed a similar policy

without resorting to the government or to the leaseholder already in the field. The A. R. and I. was among the first of the land grant railways to secure its land grant in solid blocks in the semi-arid areas of Alberta, and much of the stimulus towards successful ranching in that province came from this enterprising corporation.

### 3. Timber

Elsewhere in this series<sup>7</sup> will be found a detailed study of *Settlement and the Forest and Mining Frontiers*. It will be sufficient here to trace the outlines of Dominion policy without attempting to appraise in detail its effect upon land settlement.

The Canadian prairies have seldom been associated with forest growth in any form. For many years forestation and tree culture have been advocated in all sorts of utopian projects for retaining moisture, preventing soil-drifting, and forestalling other characteristic dangers of prairie physiography. The scarcity of forests by comparison with British Columbia or New Brunswick has made the limited reserves of timber correspondingly valuable for the lumberman and the prairie settler. In 1913 there were 188 saw-mills in the three Prairie Provinces, producing about 250,000,000 board feet of lumber valued at \$4,250,000. Of this quantity Saskatchewan contributed about two-thirds, Alberta one-fifth, and Manitoba less than one-seventh. The Prairie Provinces provide a market, under normal conditions, for nearly 1,435 million feet, B.M., of lumber per year. The value of scientific forestry will be apparent: the value, too, of the local supply—less than 17.5 per cent. of the total demand—from Dominion Lands.

From the beginning of Dominion Lands administration, homesteaders, pre-emptors, and grantees of Dominion Lands in general, including the Hudson's Bay Company and the land grant railways, were entitled to the timber along with other surface rights of the soil. Settlers without wood or timber on their own land were granted permits to cut certain quantities from unoccupied Dominion Lands, with additional quantities available upon the payment of a nominal fee.

In 1876 an Order-in-Council (January 17) provided for temporary permits for the cutting of merchantable timber. The scarcity of building material gave an artificial value to the local supply, and Dominion policy aimed consistently not at timber revenues but at

<sup>7</sup> See Vol. IX.

the supply of a commodity indispensable to land settlement. After the Dominion Lands Act of 1879 timber limits were definitely reserved from sale or homestead entry. Cutting rights were granted by tender or public auction for twenty-one years from areas not to exceed fifty square miles. An annual ground rent of \$5 per square mile and royalties of 5 per cent. *ad valorem* on the sale of timber products were combined with stipulations for the erection of mills, surveys, and other suitable regulations for a primitive industry. In 1889 licences were granted annually by tender, with provision for renewal if all conditions were satisfactorily complied with during the preceding year. Dues were fixed at 50 cents per thousand feet B.M. instead of royalties on sales; and the maximum area of the berth restricted as before to 50 square miles. In order to ensure greater permanency of tenure and thus warrant a larger investment of capital in the industry, an Order-in-Council of April 4, 1903, provided that so long as the licensee complied with the regulations he should be entitled to a renewal of his licence from year to year while merchantable timber was available. The restriction to 50 square miles was suspended provided the length of the berth did not exceed three times the breadth. Crown dues instead of royalties were retained and remained relatively stable for thirty years. After 1901 all holders of timber berths were required to pay half the cost of fire protection. In 1906 a "permit" system authorized a mill owner without competition to cut timber from areas not to exceed one square mile upon payment of the crown dues and a special fee of \$100 for each permit. Such permits were renewable once but not again for the same area.

In 1907 there was a general revision of the timber regulations, and the general policy remained for more than a decade relatively unchanged. There was a broad distinction between (a) licences for timber berths and (b) special permits for actual settlers and for the operators of portable saw-mills designed to meet where possible the requirements of the local market.

(a) *Timber Licences.* For timber berths comprising resources of merchantable timber for large-scale production, the general regulations were not unlike those which obtained in the other provinces. All timber limits were to be surveyed and "cruised" into blocks not exceeding 25 square miles before being offered for lease through the timber and grazing branch of the Department. An upset price was fixed by the Minister of the Interior. Sale was to be conducted by public auction at the office of the timber agent of the Department

in the district in which the berth was situated. The terms of sale, while not exceptional in form, were for many years remarkably moderate and stable, despite the rising prices of lumber and rising rates of ground rent and lumber dues in other provinces of the Dominion. The Commission of Conservation in 1915 observed that the rates for Dominion Lands had "remained practically stationary for thirty years."<sup>8</sup> The regulations stipulated payment in cash at the time of sale up to \$1,000, half cash up to \$5,000, one-third cash up to \$10,000, and one-quarter cash where the rates exceeded that amount. All licences were to expire on April 30 of each year, but were renewable from year to year so long as merchantable timber was available and the regulations were satisfactorily observed. The annual ground-rent was fixed at \$5—increased in 1919 to \$10—per square mile. There were provisions for the preservation of seed trees and for the disposal of slash and debris from the normal operations of the industry. Half the cost of fire protection was charged to the licensee.

The dues were so moderate that the rates in themselves may be taken to indicate a "utility" rather than a "revenue" policy. For sawn lumber the dues were fifty cents—increased in 1919 to seventy-five cents and in 1921 to one dollar—per thousand feet B.M.; for laths and shingles, fifteen cents per thousand; for piling and cribbing one-half cent per lineal foot; for railway ties one cent and a half each; for cordwood fifteen cents per cord; for pulpwood twenty-five cents per cord; on other products there were royalties at five per cent. *ad valorem*. The licensee was under obligation to operate a saw-mill capable of cutting 2,000 feet B.M. daily for every five miles of timber berth under licence.

In Figure 30 will be found a graph of Alberta lumber production prepared for the Alberta Resources Commission and showing the total cut in that province from 1908 to 1930 in relation to the average sale value and the rate of dues per thousand feet B.M. The relative stability and moderation of the dues and the vicissitudes of market prices for lumber will be obvious. The dues remained at fifty cents until 1919, then at seventy-five cents until 1921, and one dollar thereafter, while the sales value ranged from \$15 per thousand in 1908 to \$36 per thousand in 1920. The total cut meanwhile remained relatively stable, except for the years of the world war, until 1925. The average was about 40 million feet B.M. until that time, rising rapidly to nearly 135 million feet B.M. in 1929.

<sup>8</sup> James H. White, *Forestry on Dominion Lands* (Ottawa: Commission of Conservation), 1915, p. 34.



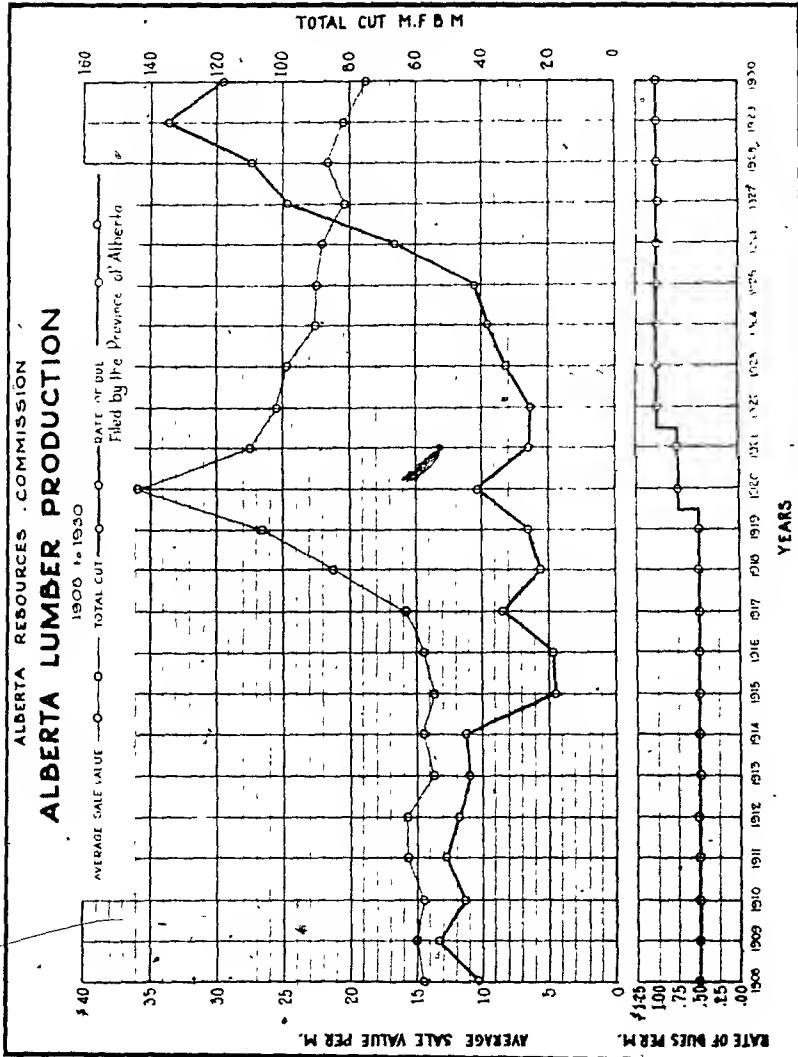


FIG. 30.—Graph showing lumber production in Alberta, 1908-1930. The light unbroken line shows the average sale value, the double line shows the annual cut, the heavy line shows the rate of dues. *Alberta Res. Comm.*

For Saskatchewan and Manitoba also the relative stability and moderation of the dues and the wide variations of cut and market prices in Alberta may be taken to illustrate the prevailing conditions on Dominion Lands.

(b) *The timber permits*, as distinct from the licences granted to operators on a large scale, were intended to meet the local needs of actual settlers from resources capable of but limited development upon a much smaller scale. Permits were granted for portable saw-mills to cut lumber, shingles, and laths over prescribed areas not to exceed one square mile in each instance; provided the proceeds of the mill were sold to settlers within a radius of 50 miles. Permits to cut pulpwood were issued for smaller areas not to exceed one-quarter of a square mile. The revenues from permits were obtained in the form of rental at \$100 a year and of regular crown dues on the products of the mill, payable one-fifth in advance. Permits were renewable only for a single additional year. North of the south branch of the Saskatchewan the operators of portable saw-mills were permitted to sell their products beyond the fifty mile limit, and to others in addition to actual settlers, upon the payment of \$1.50 per thousand feet B.M. On the other hand, permits for portable saw-mills could not be issued to the operators of licensed timber berths.

For actual settlers permits to cut timber on Dominion Lands were issued on generous terms. The dues for cordwood were 25 cents per cord; pulpwood 40 cents per cord; fence rails 2 cents each; fence posts 1 cent each; building logs, piling, and cribbing 1 cent per lineal foot; shingles and laths, 20 cents per thousand; telegraph poles 5 cents each up to 22 feet, with 1 cent a foot thereafter; railway ties 3 cents each; saw logs \$1.50 per thousand feet B.M.; with royalties at 10 per cent. *ad valorem* on other products. The fact that many of the dues were higher to settlers than to the operators of portable saw-mills was counterbalanced by the fact that the settler paid no rental (\$100 per year) for his cutting rights on Dominion Lands. The cutting of cordwood for sale was permitted up to 100 cords at 25 cents per cord.

For homesteaders the timber rights on Dominion Lands were exceptionally generous. No dues whatever were charged up to 3,000 lineal feet of building timber, 400 roof poles, 500 fence posts, and 2,000 rails. After loss by fire, a settler was entitled to a free permit for timber on Dominion Lands up to the amount allowed to a new homesteader. Both established settlers and new homesteaders

without wood lots or other timber on their lands could obtain free permits to cut dry timber for their own use for fuel or fencing.

The ratio between timber produced under "licence" by operators on a large scale and that under "permit" by portable saw-mills, settlers, and homesteaders may be traced in the accompanying statistics (Table XXII) prepared by the Province of Alberta for the Alberta Resources Commission. The statistics for Saskatchewan, given in totals only, will indicate the relative "cut" in the two provinces.

TABLE XXII—TIMBER OUTPUT IN ALBERTA AND SASKATCHEWAN, 1905-1930

	ALBERTA		SASKATCHEWAN
	Under Licence	Under Permit	Totals Only
Lumber, F.B.M.. . . . .	1,105,462,771	292,407,662	2,339,098,309
Lath. . . . .	146,785,152	14,643,979	
Cordwood (cords).. . . .	117,938	8,123	976,107
Shingles . . . . .	637,350	16,839,575	
Railway ties . . . . .	5,908,148	1,751,094	5,852,747
Telegraph poles. . . . .	207,317	5,558	29,693
Piling (lineal feet) . . . . .	4,405,697	101,092	10,372,436
Mine props (round timber, lineal feet) . . . . .	10,831,540	1,743,388	
Fence posts, rails, and roof poles	93,309	114,308	45,210,013

For all the chief categories of timber it would seem that the settler and the portable saw-mill operating under "permit" cut a relatively small proportion of the total output: a little more than a quarter as much lumber, about one-tenth as much lath, less than one-fourteenth as much cordwood, less than one-third as many railway ties, less than one-thirty-fifth as many telegraph poles and less than one-sixth as much of round timber. In shingles, on the other hand, more than 96 per cent. of the total output was cut under "permit".

In one respect at least the timber administration on Dominion Lands was singularly out of touch with the best practice in other branches of the service. The portable saw-mill and the primitive privileges with regard to cordwood and pulpwood were blessings for the primitive settler on marginal lands. Like the marginal areas in eastern Canada that lay half-way between a lumbering and an

agricultural economy, and contrived to subsist only by means of both, there were marginal areas where cordwood and pulpwood supplied the meagre resources which made homestead settlement feasible. But even the lumberman operating on a large scale under licence was free to range almost indefinitely over his berth so long as merchantable timber was available; and there were no adequate safeguards for reforestation. In these circumstances the ravages of the portable saw-mill, the hard-driven settler, and the lumber operator alike, in regions already sparsely timbered, threatened to denude whole areas of forest growth which by every principle of sound forestry ought to have been conserved with every precaution known to science.

In 1911 the organization of forest reserves on Dominion Lands, to be outlined presently, was carried forward to standards of efficiency that remained a credit to the Department and to the Dominion. Had the Forestry Branch continued to dominate timber policy on Dominion Lands, it is possible that deforestation might have been forestalled, and the remaining timber resources of the Prairie Provinces effectually conserved. It was decided, however, to withdraw the administration of timber on Dominion Lands from the control of the Forestry Branch and to transfer it to the Timber and Grazing Branch, concerned primarily with the routine administration of natural resources in the interests of frontier settlement.

The work of the Royal Commission of 1912 on ranching and grazing, already briefly traced in preceding pages,<sup>9</sup> resulted in a complete reorganization of Dominion policy and many salutary regulations for the ranching industry of Western Canada. The timber administration, however, was allowed to continue relatively unchanged. In 1924 a Royal Commission on pulpwood was appointed to investigate the ravages of paper mills upon the forests of the whole Dominion. Their report (July, 1924), though chiefly concerned with the eastern provinces and British Columbia where the forests represented a much larger proportion of their natural resources, included nevertheless a terse and vigorous arraignment of the prevailing timber policy on Dominion Lands. The scientific administration of some 22,000,000 acres of forest reserves was conceded, but the withdrawal of timber administration on Dominion Lands in general from the control of trained foresters was denounced in terms which deserve quotation in full:

<sup>9</sup> See above, pp. 440f.

This retrograde action at one fell stroke entirely divested the timber-administrative organization of the services of the technical staff which had meanwhile been developed to considerable proportions in the forestry service. This unfortunate condition has continued for upwards of twelve years, during that period there has not been on the staff of the Timber Branch a single forester, and until very recently the policy has developed entirely without any technical guidance whatsoever. The bald situation is that, whereas on the one hand the government has built up in the Forestry Branch a strong organization for forestry protection generally, and for timber administration on some 22 million acres of forest reserves—a service which is thoroughly characterized by a technical administration—it has on the other hand left the control of the Timber Branch—a thoroughly routine administrative organization, albeit manned with thoroughly conscientious officials—the handling of the greater part of the merchantable timber on Dominion Lands in western Canada. . . . For twelve years, the timber berths in Manitoba, Saskatchewan, Alberta, and in the British Columbia Railway Belt, have been exploited without the slightest attention to the truly forestry aspects of utilization.<sup>10</sup>

The contrast in administration between forest reserves and timber resources elsewhere on Dominion Lands was accentuated by a remarkable development which had been taking place since 1911 in the Forestry Branch of the service. The technique of timber administration on the forest reserves of the Dominion may best be outlined under that category.

#### *4. Forest Reserves and Parks*

The rise of the Forestry Branch had been attended by considerable controversy. A Chief Inspector of Timber and Forestry—afterwards Superintendent of Forestry—had been appointed in 1899. A Forestry Branch of the Department and the Canadian Forestry Association (1900) were quickly organized. Under the Forestry Reserves Act of 1906 a series of forest reserves—Beaver Hill, Moose Mountain, Porcupine, and many others—was established to provide areas for scientific conservation and experiment. The establishment of the Commission of Conservation in 1909 under the energetic chairmanship of Clifford Sifton was the beginning of nine years of consistent and public-spirited policy. Forest reserves were multiplied in the Prairie Provinces, and in 1911 the Forest Reserves and Parks Act (1 and 2 Geo. V., c. 10) brought the federal practice into conformity with the steadily developing policy of the Commission.

Under this statute the regulation of timber on the forest reserves

<sup>10</sup> "Report of the Royal Commission on Pulpwood, July, 1924", *Sessional Papers of Canada*, 1924, No. 310, p. 150.

of Dominion Lands was attempted on principles of scientific forestry.<sup>11</sup> The results were summarized for the Alberta and Saskatchewan Resources Commissions in terms which may be paraphrased without material discount. Homesteaders within fifty miles of any forest reserve might exercise there for five years after homestead entry—extended in exceptional circumstances to eight years—the same rights he was entitled to elsewhere on Dominion Lands. For merchantable timber short-term sales were restricted to a “period of removal not to exceed five years”, and to “quantities not exceeding \$25,000 value in dues in any one sale.” The timber was carefully and scientifically “cruised” and “scaled” in the woods; the amounts and classes of timber to be disposed of were advertised “for a period of not less than thirty days”. A carefully determined upset price was fixed by the Director of Forestry, and the sales were made by public auction. The closest utilization was insisted upon, and extraordinary precautions were taken against hazards by fire. “Nowhere in the Dominion”, added the Director of Forestry in his report to the Saskatchewan Commission, “had more complete and more effective regulations been applied.”

From 1911 to 1930 the developments were rapid and consistent. Field work by trained foresters was expedited by a policy of decentralization, with district offices to enforce the elaborate regulations of the Forestry Branch. Subsequent improvements were installed in keeping with advancing knowledge and technique in scientific forestry—roads, trails, telephones, lookout towers, aeroplanes, and radio. In silviculture the Branch had begun by 1930 to render a valuable service to Western Canada. From the two nursery stations at Indian Head (established in 1904) and Sutherland near Saskatoon (established ten years later) no fewer than 100,000,000 trees were distributed to farmers in the Prairie Provinces. At the time of the transfer to provincial control there were some 1,800,000 transplants from three to five years old, and 5,000,000 seedlings from one to three years old, available for this service. While revenues from forest reserves during the period of Dominion Lands were approximately \$16,300,000, the federal expenditure on forest conservation was approximately \$18,200,000; and despite the relatively small economic importance of forest resources in the Prairie Provinces, the Dominion claimed to have made “financial provisions to protect and develop the forests of those provinces to a

<sup>11</sup> *Regulations for Dominion Forest Reserves, 1927*: consolidated for office use and brought up to 1929 (Ottawa King's Printer), 1929.

degree of intensity unequalled, indeed, far from being equalled in any part of the Dominion."

#### 5. *Mining Policy on Dominion Lands*

For mining as for timber (section 3, above) the volume in this series dealing with *Settlement and the Forest and Mining Frontiers* (Volume IX) will illustrate in detail the bearing of those industries upon the technique of frontier settlement. While Dominion policy was only remotely concerned with these by-products—the industry itself developed too many unforeseen factors to be traceable from the outset in terms of land settlement—it is obvious that mining has added, in Alberta at least, a very characteristic variation to the resources of a prairie province.

No better illustration of these tendencies perhaps could be found than the enterprise and resourcefulness of the Alberta Coal and Irrigation Company outlined in a previous chapter (Chapter IV, section 2). Among the first of the "colonization railways", it was a pioneer in irrigation, lumbering, and ranching as well as in coal mining. Its coal contracts with the C. P. R. were among the earliest of its enterprises, and from the outset it was a factor in the policies as well as in the prosperity of the C. P. R. Of all the "colonization railways" the Alberta Coal and Irrigation Company was perhaps the most successful in utilizing its land grant in the best interests of a highly specialized community. The source of this stream of enterprise may have been the bituminous coal beds of Lethbridge, but its vitalizing current permeated, in one form or another, almost every enterprise in southern Alberta.

The controversy which developed before the Alberta Resources Commission over the value of coal resources alienated by the Dominion is an index of the range of policy possible in dealing with so varied a product. Dominion counsel quoted with approval the words of a Deputy Minister of Mines of another province<sup>12</sup> as the text of Dominion policy in the Prairie Provinces: "The development of the law has been highly empirical. Trial and error and experiment have marked every step of the way. In practically every important feature there has been a complete boxing of the compass." In a survey concerned chiefly with land settlement one may be absolved by the report of the Commission from any attempt to follow this labyrinth to its source. The basic resources administered as Dominion Lands, however, must find some place in this survey

<sup>12</sup> Thomas W. Gibson, *The Mining Laws of Ontario and the Department of Mines* (Toronto: 1933).

of Dominion Lands policy. It may be sufficient here to outline the place of distinctive products like coal, petroleum, and natural gas in the development of a frontier economy.

The coal deposits, chiefly in Alberta, belong almost exclusively to the cretaceous formations—the product of a much more recent geological age than the chief carboniferous formations of eastern Canada or the United States.<sup>13</sup> The three chief coal-bearing formations are now known as the Edmonton horizon which is upper cretaceous in its origin, the Belly River horizon which belongs to the middle of the upper cretaceous deposits, and the Kootenay horizon which is the lowest of the cretaceous formations. Each of these formations contains several beds of coal, but since several hundred feet of intervening strata separate the three horizons, it follows that the deeper formation, the Kootenay deposits, have had the advantage of age and load pressure, and rank higher, as a rule, in commercial value.

This fact, however, has been combined with another geological factor to render the Kootenay horizon accessible as well as valuable. Since the Rocky Mountains were thrown up, subsequent to the formation of these deposits, by the pressure between the heavy palaeozoic sub-Pacific and the sub-prairie geological formations, the Kootenay and Belly River deposits are to be found outcropping in the foothills or mountain areas, in tilted or in some instances in vertical formations. Not only is this horizon older in point of origin, but the additional pressure in the process of mountain formation in the Rocky Mountain area has supplied an additional “load pressure” which further enhances the value of the seams to be found in those localities. Several areas of both Edmonton and Belly River horizons also have been subjected to this geological pressure; and the Kootenay horizon itself exhibits a much higher grade of bituminous coal in the outcroppings in the foothills and mountain areas, as at Brule or Nordegg, than the eastern seams of the same geological age in the Wainwright area which rank only as good lignite.

The occurrence and formation of all three horizons may be traced in the accompanying map (Fig. 31). The Kootenay horizon, the most westerly of the three, is found in the Smoky River, Brule, Mountain Park, Nordegg, Clearwater, Panther, Cascade, Highwood, Oldman, and Crowsnest deposits, practically all of which,

<sup>13</sup> A very elaborate report upon the coal mining industry in Alberta was prepared by a provincial commission in 1925. An exhaustive memorandum on Alberta coal lands was prepared for the Alberta Resources Commission by J. A. Allan, Professor of Geology and N. C. Pitcher, Professor of Mining and Engineering in the University of Alberta.



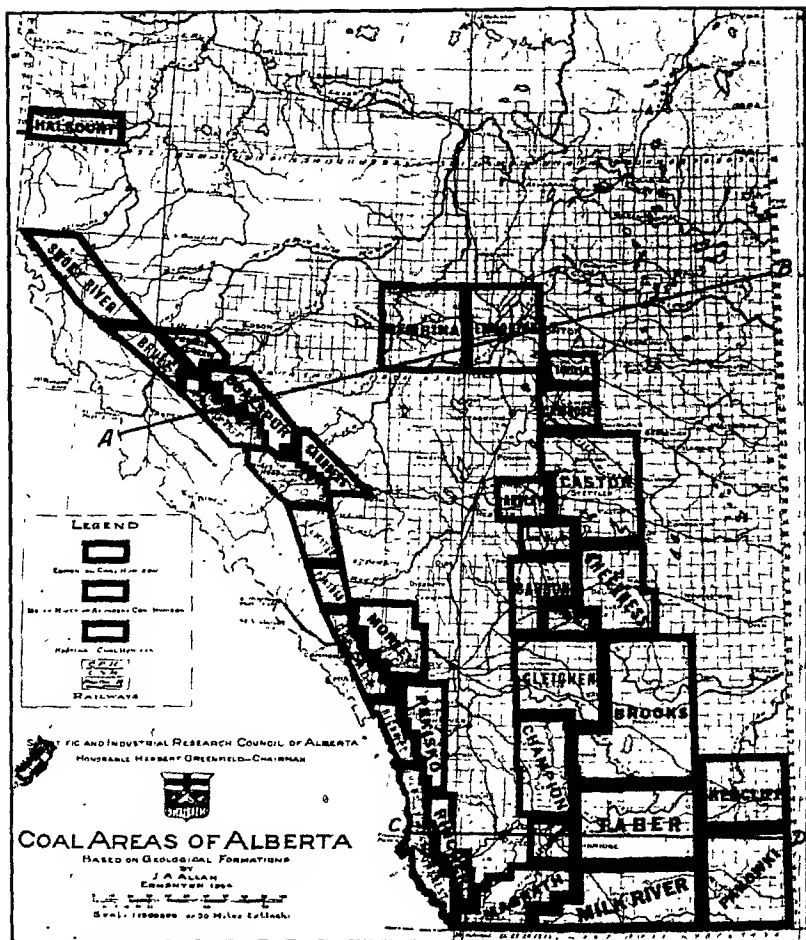


FIG. 31—Map of coal areas of Alberta showing the Kootenay (lightly shaded), Belly River (black), and Edmonton (medium), horizons. Prepared by J. A. Allen for the Scientific and Industrial Research Council of Alberta, 1924.

though the deepest of the three coal horizons, are to be found in surface outcroppings exposed in the crumpling process which threw up the Rocky Mountains. Adjoining these in many districts but traceable also in many areas south and east of the Edmonton horizon, are the Belly River deposits, intermediate in depth and origin—Halcourt, Prairie Creek, Coalspur, Saunders, Morley, Pekisko, Pincher, Magrath, and in the south-eastern deposits of Lethbridge itself, Brooks, Taber, Milk River, Redcliff, and Pakowki. The Edmonton horizon, in origin and location the most recent of the

three, is found in the Pembina, Edmonton, Tofield, Camrose, Castor, Ardley, Big Valley, Carbon, Sheerness, Drumheller, Gleichen, and Champion deposits, occupying an area, as would be expected, between the eastern and western outcroppings of the older formations. A cross-section from A to B would exhibit the three horizons in characteristic relation to each other; from the Kootenay deposits of the Mountain Park coal basin, through the Coalspur coal basin of the Belly River horizon, and the Pembina and Empress deposits of the Edmonton horizon, to the emergence of the lower formations, again on the North Saskatchewan. A similar cross-section from C to D further south would show the Crowsnest area of the Kootenay deposits outcropping in the mountain area, and the Belly River horizon both in the west at Pincher Creek and east of Macleod again in Lethbridge, Taber or Milk River, and Pakowki.

The range and mass of these deposits have been variously estimated. In 1905 when the Province of Alberta was organized the coal reserves were computed to be 327,663,000,000 tons. Estimates in 1923 still reached fabulous proportions: a report in that year stated that Alberta possessed 87.1 per cent. of the coal resources of Canada and 14.5 per cent. of the coal resources of the world. The exhaustive report of the Provincial Coal Commission in 1925 reduced the estimate of available coal deposits to 57,500,000,000 tons. Recent estimates, designedly conservative, by Allan and Pitcher for the Alberta Resources Commission covered eight areas of the Edmonton horizon, nine of the Belly River horizon, and five of the Kootenay. It was computed that these twenty-two areas had accessible supplies of 1,748,600,000 tons. From these enormous reserves the total annual output (1930) was about 5,750,000 tons, chiefly from the Pembina, Edmonton, Lethbridge, Taber, Nordegg, and Crowsnest deposits. From 1905 to 1930 the total output was estimated at 118,923,606 tons.

The administration of coal lands, like that of other mineral rights on Dominion Lands, has passed through many vicissitudes. Up to 1887 no mineral reservations other than the prerogative rights to gold and silver were made in patents to Dominion Lands. By Order-in-Council, October 31, 1887, mineral rights west of the third meridian were reserved in Crown patents. Two years later (September 17, 1889) the same reservations were inserted east of the third meridian.

Meanwhile the administration of coal lands had passed from lease to sale in fee simple. Leases for 21 years were provided for in the

earliest regulations by Order-in-Council of December 17, 1881. The annual rental was 25 cents per acre, with royalty at 10 cents per ton. The following year (by Order-in-Council of December 26, 1882) the leasing of coal lands was suspended in favour of permanent sale. In 1884 the price was fixed at \$10 an acre for bituminous coal. The sale of coal lands continued at the rate of \$10 including surface rights, or \$7 for sub-surface rights alone, until 1907 when an Order-in-Council of May 9 returned to the original practice of leasehold. The rental was fixed at \$1 per acre for a term of 21 years, renewable at the end of that period. With this annual rental was also combined a small initial fee and royalties on output at the rate of 10 cents per ton, subsequently reduced to 7 cents (1915) and eventually to 5 cents per ton.

Up to 1907, when leases finally supplanted sales in Dominion policy, some 151,000 acres of coal lands had been sold and patented in the usual way in the twenty-two areas covered by the Allan and Pitcher report. The leases issued since 1907 increased rapidly until 1913 when a maximum of 456,637 acres were under lease to 442 lessees. Since that time the average acreage under lease until 1930 was less than 235,000 acres. Cash receipts from 1907 to 1930 under the leasehold system were \$3,633,800. The interplay of mining and settlement is illustrated by the fact that provincial expenditures from 1905 to 1930 under the Provincial Mines Act in supervising safety conditions in the mines amounted to \$681,610. A characteristic federal regulation (March 23, 1904) also permitted actual settlers to purchase coal (if not for sale or barter) at the pit's mouth at prices not to exceed \$1.75 per ton.<sup>14</sup>

For petroleum and natural gas, administration by the Dominion was still more tentative and experimental. These highly specialized products were peculiarly susceptible to new and rapidly changing modern conditions; and Dominion counsel before the Alberta Resources Commission, as we have seen, was the first to concede a "policy of trial and error. . . . In practically every important feature there has been a complete boxing of the compass".

Regulations with regard to petroleum and natural gas do not appear in Dominion policy until the Order-in-Council of August 6, 1898. An area not to exceed one section—640 acres—might be reserved for six months for any prospector, who might then purchase the land at \$1 per acre, subject to royalties of 2½ per cent. These regulations which applied only to the area south of the C. P. R. in

<sup>14</sup> Changed to \$2.75 by Order-in-Council of September 21, 1918.

the territory of "Alberta" (Fig. 5) were extended two years later (May 31, 1901) to the whole range of Dominion Lands. In 1904 the area subject to reservation was enlarged to three sections—1920 acres—while the time also could be extended at the discretion of the Department. Upon the discovery of oil in commercial quantities the prospector could purchase one section at \$1 per acre and reserve the other two for purchase at \$3 per acre subject to royalties to be fixed by Order-in-Council.

The change from sale to lease for both petroleum and natural gas was made by Order-in-Council of March 11, 1910. The rental was fixed at 25 cents an acre for the first year and 50 cents for each succeeding year; and the lease was renewable at the end of twenty-one years. Three sections remained the maximum unit for each lease. Two practices of far-reaching application, however, were introduced. In order to encourage the costly enterprise of prospecting and drilling, the expenditures during the second and third years of operation—exclusive of cost of machinery and casing—might be applied to the rentals charged by the Department. Equipment to the value of \$5,000 was to be installed within one year, with a minimum expenditure of \$2,000 in actual boring for each year of the lease. On the other hand no royalties were to be payable upon sales of petroleum until January 1, 1930 (this provision applied to all leases issued until 1930), and the Crown could expropriate for the navy the entire output of petroleum from Dominion Lands. Further regulations introduced for the first time in 1914 permitted the lessee to acquire more than one lease and to "group" the leases for the purpose of applying the "credits" earned by expenditures in the field. No "group" of leases was to contain more than twenty sections, and the sections under lease were to be separated by no intervals greater than two miles.

Under the stimulus of war and a prospect of oil shortage in the United States, an Order-in-Council of May 29, 1918 (P.C. 1230) extended to the fourth and fifth years of operation the practice already permitted of applying operating expenditures to the rental charges exacted by the Department. There can be no doubt that Dominion policy throughout was actuated very largely by a national purpose of freeing the Dominion from dependence upon outside sources for oil and gasoline; and the "grouping" of leases was designed to cover the area over which the discovery of oil might be expected to be tributary to all operations in that geological structure. The fact that the Province of Alberta in assuming control of these

resources extended the "group" area from 20 square miles to 600—an area not to exceed 30 miles by 20—will indicate a general agreement upon this principle. The prospector in the costly operating expenditures necessary for such an enterprise was to be encouraged by a reasonable prospect of controlling the area which the geological structure of the district made tributary to a single operation.

In 1920 for the first time foreign interests registered or licensed in Canada were permitted to prospect for oil (P.C. 2615); and graduated royalties not to exceed 5 per cent. for the first five years of production nor 10 per cent. thereafter, became chargeable as soon as oil, in the opinion of the Minister, was discovered in commercial quantities. From the point of view of revenues, however, the provision for royalties was as yet scarcely more than a gesture: it was designed, as the Minister explained, to limit contingent liabilities in the calculations of the stock market rather than to produce immediate revenues from Dominion Lands.

With the extension of the "surplus credit" system in December, 1921 (P.C. 4613), Dominion policy entered the phase which obtained, with minor variations, until the resources reverted to provincial control. By that time it appeared that prospecting for oil in Western Canada had reached a very critical stage. The Northwest Company, Limited, a subsidiary of the Imperial Oil Company, had acquired some 392 petroleum and natural gas leases covering an area of 369,537 acres in Alberta and Saskatchewan, and 38 leases in the Territories with an area of 55,170 acres.<sup>15</sup> The Company claimed to have spent \$1,614,425 in prospecting and drilling in Alberta and Saskatchewan. Of this sum \$251,809 had been accepted as "credits" for rentals due to the Department. There was thus an "excess expenditure" of \$1,362,616 for which no "credits" had been granted by the Crown. Further expenditures of \$1,018,160 had been made in the Territories; and the Company claimed to have paid nearly \$275,000 into the Dominion treasury for leases and rentals. "Our efforts have been unsuccessful", wrote Victor Ross to the Minister of the Interior (November 23, 1921), "and there are no present indications of the discovery in the immediate future of oil in commercial quantities in these provinces."

With the prospect of abandoning further operations in Western Canada the Company suggested to the Department the arrangement which proved to be the preliminary of substantial success:

<sup>15</sup> Memorandum of J. W. Lock for the Alberta Res. Comm.

We have been urged by public bodies and representative Canadians, both in the East and the West, to continue our explorations for at least another season. We are more interested in the discovery of oil in commercial quantities in Western Canada than any other Canadian enterprise. We have millions of dollars invested in refineries located from Halifax to Vancouver. They are all dependent for their maintenance upon imported crude oil, and in view of the fact that signs of exhaustion of the American fields are appearing, and the world is facing an ultimate shortage of petroleum, it is of the utmost importance that the search for oil in Canada be continued with vigour and thoroughness. . . .

This company alone in the past year was forced to expend a sum in excess of seven million dollars for the purchase of American exchange with which to meet its obligations in connection with the purchase of crude oil supplies in the United States, Mexico and South America. . . .

Our request is that the government shall agree to apply forty per cent. of the total monies expended by our companies up to the 31st day of December, 1921, in Alberta and Saskatchewan on geological investigation, exploration work and drilling for oil . . . in settlement *pro tanto* of rentals due subsequent to the 1st day of July, 1921, on Crown Lands other than School Lands, which we realize must be paid in cash under lease to our companies.

In respect to the Northwest Territories, we would ask that our expenditures to the 31st day of December, 1921, . . . may apply in settlement of rentals until the discovery of oil in commercial quantities to the satisfaction of the Minister.<sup>16</sup>

These suggestions were substantially embodied in the Order-in-Council of December 21, 1921. What were termed "excess expenditures" over and above the amount of rentals for Dominion Lands could be placed to the credit of the lessee and applied to rentals for petroleum or natural gas leases in any location on Dominion Lands. In practice the government so applied forty per cent.—eventually fifty per cent.—of such "excess expenditures".<sup>17</sup> With the discovery of oil in commercial quantities no further rentals in that particular "group" of leases were to be defrayed from the "excess expenditure" fund of the Company. In effect the Department was bonusing the prospecting for oil in the interests of national policy, with little regard for revenues.

A final regulation in October, 1927, gave the widest application to this practice. Much of the expenditure was taking place upon locations leased from the railway land grants or other areas alienated before the under-surface mineral rights had been reserved by the Crown. Of the 660 wells drilled in the province of Alberta from 1905 to 1930, some 460 had been drilled on Dominion Lands, and 200 on

<sup>16</sup> Victor Ross to Sir James Loughheed, Nov. 23, 1921.

<sup>17</sup> The Northwest Company, Limited, received immediate credits for \$489,650 of their "excess expenditures". Other companies subsequently received 50 per cent., and the Northwest Company also received 50 per cent. after 1929.

lands already alienated. It was conceded that both were serving the same national purpose: the search for a Canadian supply of petroleum products. "Excess expenditures", therefore, on private leases adjoining locations already held by the lessee from the Dominion could be applied in the same way as "credits" for rentals from Dominion Lands. Even the stipulation relating to the contiguity of the private and Dominion leases was frequently waived in practice. It would be hard to devise a more generous national policy for the preliminary stages of so precarious an industry. It is true, as the Dysart Commission afterwards reported, that "a provincial administration would have succeeded in obtaining . . . a net revenue considerably larger than that which the Dominion, less intent upon revenue purposes, actually derived."<sup>18</sup> Dominion policy, on the other hand, seems to have been adapted very wisely to the interests of the nation as a whole; and it can scarcely be doubted that the substantial measure of success that has since attended the development of both petroleum and natural gas may fairly be attributed in no small measure to this preliminary encouragement.

The long quest for oil in commercial quantities passed from the prospecting to the producing stage in 1924 when "Royalite 4", a well drilled in limestone formation on lands leased from the C. P. R., "came in" in Turner Valley. Few incidents, even in this precarious industry, illustrate more effectively the narrow margin between success and failure. The decision had been reached, the instructions actually issued, to abandon "Royalite No. 4"; but before the field party received them the well "came in". The developments since that time in Turner Valley alone had already reached substantial proportions when the transfer took place to provincial control. On private leases—lands with under-rights already alienated—production increased rapidly from 156,766 barrels of naphtha (1925) to 365,935 in 1930 and 476,471 in 1931. From Dominion Lands the increase was still more rapid: from 46,027 barrels in 1927 to 948,104 in 1930. From 1914 to September, 1930, the total from Dominion Lands was 1,461,916 barrels; from September 1930 to August, 1934, under provincial administration, the production from Crown lands in Alberta was 2,708,203 barrels. The corresponding production from private leases was 1,294,530 barrels from 1914 to 1930 and 1,833,030 from 1930 to 1934: a total output from both sources of 7,297,679 barrels of naphtha, valued at \$23,738,927. The total

<sup>18</sup> *Report of the Royal Commission on the Natural Resources of Alberta* (Ottawa: 1935), p. 33.

production, however, of crude oil from Turner Valley to August, 1934, was still in the prospecting stage: 391,645 barrels with a value of \$1,091,133.<sup>19</sup>

The revenues meanwhile from petroleum and natural gas on Dominion Lands had mounted by 1930 to a total of \$5,922,615, with 16,219 leases outstanding at that time, covering an area of 2,263,076 acres. The fact that further revenues of about \$4,500,000 of "excess credits" had been applied to government leases demonstrated the dominant policy of the Department during the period of Dominion Lands; and thus a virtual bonus was advanced to the industry almost equal to the total revenues derived from it.

In the vast majority of leases, arrears of rentals had accumulated by 1930 to the point where the province undertook a vigorous policy of collections and cancellations. Leases outstanding August 31, 1934 (Table XXIII) had been reduced to 3,844 in number comprising an area of 857,456 acres.

TABLE XXIII—LEASES FOR PETROLEUM AND NATURAL GAS, 1930-1934\*

	NUMBER	AREA (acres)
Petroleum and natural gas leases transferred to the Province.....	18,863	2,454,802
Petroleum and natural gas leases issued by the Province.....	1,015	261,626
Total leases since 1930.....	19,878	2,716,428
Leases cancelled by the Province.....	16,034	1,858,971
Total leases in operation, August, 1934.....	3,844	857,456

\* Alberta Res. Comm.

## 6. *Water Rights*

Remote though the administration of water powers and other water rights may be from the general purposes of this survey, a brief outline must be added with regard to certain aspects of federal administration.

Hydrometric surveys, investigations for the use, storage, and utilization of available water supplies in the Prairie Provinces, and the administration of water rights for irrigation, drainage, and other purposes, formed an important function of the Department of the Interior under the Dominion Water Power Branch and Reclamation Service.

It will be unnecessary to trace here in detail the labyrinth of

<sup>19</sup> Alberta Res. Comm.



statutes and regulations governing these varied activities.<sup>20</sup> Almost from the outset (1876) lands commanding available water powers were withdrawn from homestead or other entry, and were left to administration by Order-in-Council (1881, 44 Vict., c. 16). In the Dominion Lands Act of 1908 (s. 35) the transition from sale to leasehold was formally confirmed in Dominion policy. By 1915 even school lands had been brought under the elaborate regulations of the Water Power and Reclamation Branch.<sup>21</sup> Lands commanding water powers were leased for a term of 21 years, renewable for three consecutive terms of 21 years. Rentals were adjustable at the beginning of each term, and rates for the use of power were subject to the approval of the Board of Railway Commissioners.

In 1919 a new Dominion Water Power Act (c. 19) brought all such developments under Dominion control as works "for the general advantage of Canada"—a provision which was not repealed until the transfer to provincial control. Rentals were made subject to revision at shorter intervals (ten years) after the initial period of twenty years (regulation 48), and small water powers were administered under an alternative system, involving less elaborate regulations and with renewals at five-year intervals (regulation 91).<sup>21</sup>

The Water Power Branch of the Department of the Interior was established in 1911. Developments like those at Horseshoe Falls on the Bow River at Calgary (Calgary Power Company), and at the Pinawa Channel (Winnipeg Electric Railway Company) and Point du Bois (Winnipeg Hydro) on the Winnipeg River, had already taken place; but the range of activities committed to the Branch may be illustrated from the record in Alberta. A power and storage survey of the Bow River was undertaken in 1911 and completed in 1913. Grand Rapids on the Athabaska, Rocky Rapids on the North Saskatchewan, McLeod River (near Edson), Sturgeon River and St. Mary River were surveyed for power developments in 1912-1913. The C. P. R. power station at Lake Louise was reconstructed in 1913, and the plant at Kananaskis Falls on Bow River was completed the following year. No fewer than ten surveys of power and storage sites were made in 1913-1914, fourteen in 1914-1915, and eleven, including the Vermilion Chutes site on the Peace River, in 1915-1916. The work of the Branch was restricted during the war,

<sup>20</sup> *Regulations Governing Water Power Rights in the Provinces of Manitoba, Saskatchewan, Alberta and the Northwest Territories* (Ottawa 1916).

<sup>21</sup> *Dominion Water Power Act* (Revised Statutes of Canada, 1927: Chap. 210) and *Dominion Water Power Regulations Governing Water Power Rights in the Provinces of Manitoba, Saskatchewan, Alberta and the Northwest Territories* (Ottawa 1928).

but by 1920 a comprehensive report was available upon the water power resources of Alberta. The hydrometric work of the Reclamation Service under the Reclamation Act of 1919 was also transferred to the Water Power Branch in 1920-1921. In 1928 the Calgary Power Company which had been steadily "expanding its transmission system throughout the province from Edmonton to the International Boundary" began the construction of the Ghost site power plant on the Bow River, which was approaching completion when the transfer took place in 1930. Meanwhile some twenty-five drainage projects covering 863,840 acres had been surveyed in Alberta alone.

Under the Dominion Irrigation Act of 1898 (61 Vict., c. 35) and its amendments a vast network of administration with regard to the surface waters of Alberta, Saskatchewan, and northern Manitoba was assumed by the Department of the Interior.<sup>22</sup> In supervising not only the surveys of available water supply but its feasibility for purposes of irrigation and other uses, it was the avowed policy of the Department to "assist irrigation development to the fullest possible extent short of carrying out any actual construction". At the time of the transfer in 1930 no fewer than ten major irrigation projects were in operation in southern Alberta, with water rights secured through the Department under the provisions of the Irrigation Act (Table XXIV).

In addition to these major projects, approximately 300 irrigation water licences were granted, and smaller works installed for the diversion of sufficient water to irrigate an area of about 54,000 acres. Some 250 additional licences governed the diversion of water for industrial, municipal, and domestic uses. In 1917 a "Duty of Water" experimental station was established at Brooks. Under the Reclamation Act of 1919 land sales for reclamation by irrigation were supervised by the Reclamation Service which was amalgamated, as we have seen, with the Water Power Branch in 1920. By the close of Dominion Lands administration no fewer than eleven other irrigation projects had been investigated and surveyed, ranging in size from a few thousand acres to the Lethbridge South-eastern Irrigation project of 312,000 acres. More than 550,000 acres were comprised in these surveys. (See Fig. 32).

Hydrometric surveys, meanwhile, were systematized, with fixed gauging stations where daily records of flow and discharge were

<sup>22</sup> The Irrigation Act of 1898 and its amendments was not applicable to the Province of Manitoba except for the territory added by the extension of the boundaries in 1912. The provisional districts of Mackenzie, Franklin, and Ungava in the Territories were also excepted. Revised Statutes, 1906, c. 61, s. 4.

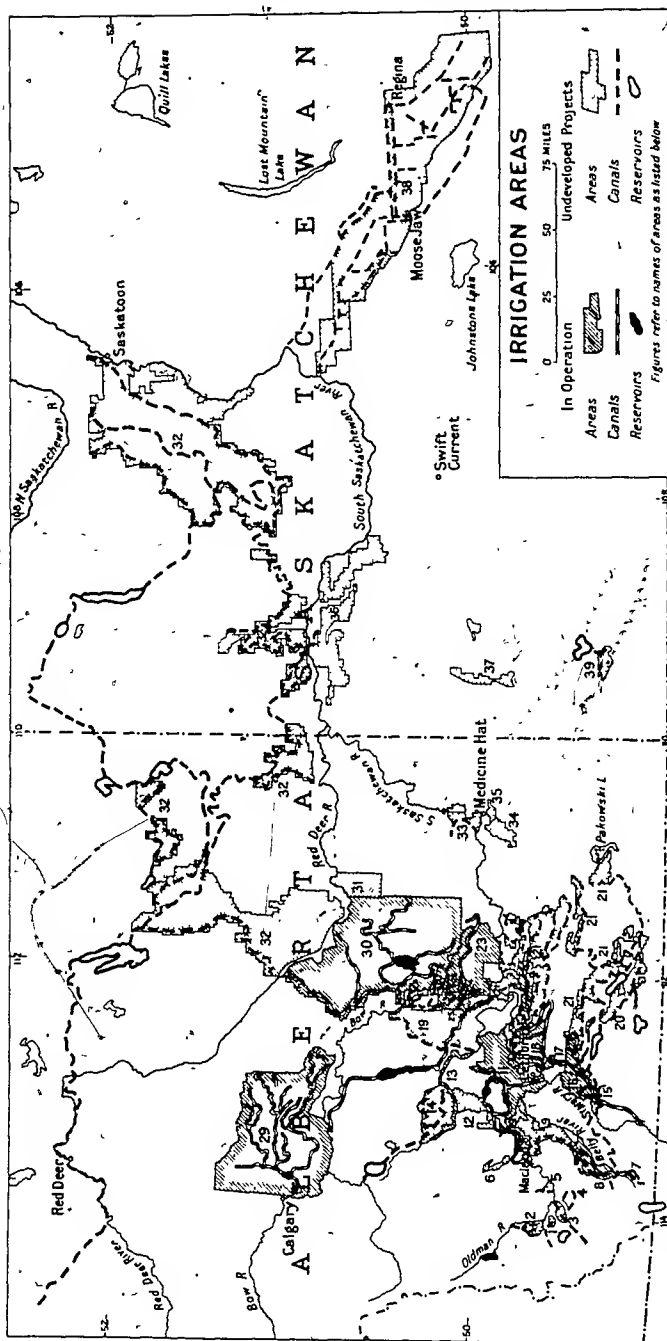


FIG. 32.—Irrigation projects in the Prairie Provinces (based on manuscript map provided by Dominion Water Power and Reclamation Service, Department of the Interior, Ottawa). Key to names of projects: 1, Cowley; 2, Todd Creek; 3, Pincher Creek North; 4, Pincher Creek East; 5, Beaver Creek; 6, Granum; 7, Mountain View; 8, United District; 9, South MacLeod; 10, Pierce-Orton; 11, Lethbridge Northern Irrigation District; 12, Barous-Carmangay; 13, Little Bow Irrigation District; 14, Highwood River; 15, Magrath South; 16, Magrath District; 17, Raymond District; 18, C.P.R. Lethbridge Section A. R. & I. Co.; 19, Retlaw-Lomond; 20, Warner; 21, Lethbridge South Eastern; 22, Taber District; 23, Canada Land and Irrigation Co.; 24, Retlaw South; 25, Retlaw North; 26, New West; 27, River Bow; 28, Eyre- more; 29, C.P.R. Western Section; 30, C.P.R. Eastern Section; 31, Tide Lake; 32, North Saskatchewan; 33, Redcliffe; 34, Medicine Hat Southern; 35, Medicine Hat Eastern; 36, Leader-Cabri; 37, Maple Creek Valley; 38, South Saskatchewan Water Supply Project; 39, Roberts-Vidora.

regularly computed. These records were made available each year in the Annual Hydrometric Report of the Department. Boundary waters, and particularly those of the St. Mary and Milk River irrigation supply under the Boundary Waters Treaty of 1909, were administered under regulations finally agreed upon by the International Joint Commission in 1921. Jointly operated hydrometric

TABLE XXIV—Irrigation Projects in Operation, 1930\*

PROJECT	IRRIGABLE AREA (acres)	PROJECT	IRRIGABLE AREA (acres)
C.P.R. Western Section	218,980	Lethbridge Northern Irrigation District .. . . .	101,340
C.P.R. Eastern Section ..	400,000	United Irrigation District..	34,230
C.P.R. Lethbridge Section..	89,000	New West Irrigation District .. . . .	4,500
Canada Land and Irrigation Company.....	125,500	Magrath Irrigation District	6,980
Taber Irrigation District...	21,570	Raymond Irrigation District. ....	15,130
		TOTAL .. . . .	1,017,230

\*Alberta Res. Comm.

stations have been established to secure the interests common to both countries along the international boundary. Still more gratifying has been the harmony between the Dominion and the Prairie Provinces. Under the efficient administration of the Water Power and Reclamation Service Branch a degree of coöperation and mutual benefit between federal and provincial interests was developed which has survived the transfer of the natural resources to provincial control, and which promises its maximum utility, perhaps, under the stress of drought and disaster in recent years.

## CHAPTER XII

### "THE NATURAL RESOURCES QUESTION": THE TRANSFER OF 1930

#### *I. Premature Expansion and a Premature Province*

THE departure from normal constitutional procedure in appropriating the administration of public lands between the Great Lakes and the Rocky Mountains was forced upon the new Dominion by a variety of forces altogether unprecedented in the history of the constituent provinces. For sixty years Dominion Lands contributed, so far as the administration of public lands could contribute, to the solution of these paramount national problems; and the return of the "natural resources" of the Prairie Provinces to provincial control in 1930 marked in a very real sense the completion of Confederation as originally contemplated in 1867.

In the urgency of these national problems, the neighbourhood of the United States was perhaps the greatest single ingredient. The expansion of the republic to the Pacific was one of the most pervasive influences in Canadian politics. For the United States it was associated with domestic issues of such magnitude that the nation was finally convulsed by them into civil war. From the Missouri Compromise to the Kansas-Nebraska Bill and the great Homestead Act, almost every stage of the conflict between north and south was registered in terms of westward expansion. Like the shirt of Nessus it was inescapable in the nature of the public domain; and the Union Pacific, followed by the Northern Pacific in 1864, was regarded as a vindication not only of union but of "manifest destiny" in North America.

To these prodigious factors were added others which, however secondary to the republic, were of prime importance to the British provinces. In the process of civil war, "manifest destiny", already a plausible body of doctrine for a generation, took on a more sinister meaning. Relations with the British provinces were the worst since the War of 1812. Piecemeal annexation which an exuberant young nation could safely leave to the operation of a peaceful "manifest destiny", might now be accomplished "*en masse*" by the immediate

will of man." For the West this prospect was so obvious and so plausible that its effect upon Canadian policy is traceable at every stage of British American Union. By 1857 it was conceded that the Hudson's Bay Company, if left to its own resources, would only court the fate of Oregon. Even the reorganization of the Company under the International Financial Society in 1863 failed to allay these fears, either British or Canadian. It would require all the resources and resourcefulness of Clear Grit and Tory, of Grand Trunk and Intercolonial, of the Canadas and the Maritimes, to safeguard the West. Among the first of the issues committed to George Brown in his lone mission to London after the "great coalition" of 1864 was the westward expansion of the projected federation to the Pacific. A transcontinental Dominion was already forecast in the B. N. A. Act of 1867 (s. 146), and the first parliament of the new Dominion set itself resolutely to the task of making good that forecast.

The original plan of 1867 (B. N. A. Act of 1867, s. 146) had provided for the union of British Columbia, Prince Edward Island, and Newfoundland as new provinces of the Dominion. Even for Rupert's Land the phrase "subject to the provisions of this Act" (s. 146) was held to have made its organization as a province obligatory. Any "new constitution for the North-West", wrote Sir John A. Macdonald, "must under the above cited section have been subject to the provisions of the Imperial Act of Union."<sup>1</sup> The significant omission of this phrase from the Rupert's Land Act, however, opened the door, as we have seen (Chapter II, section 1), not only to an empire of new territory five times the area of the original Dominion, but very literally to a new imperial role for the Dominion itself. Canada ceased to be a federation of equal provinces, each by a fundamental section of the B. N. A. Act of 1867 vested with the control of its own public lands, and became an empire entrusted with the administration of nearly a quarter of the continent as a colonial appanage of its own.

Had no complications arisen at Red River the transfer of this vast territory to the new Dominion under the Rupert's Land Act of 1868 and the Order-in-Council of 1870 might well have introduced a period of territorial development unbroken by the necessity of provincial reorganization until the end of the century. That, at any rate, was the immediate prospect when McDougall, with the "Act for the Temporary Government of Rupert's Land and the

<sup>1</sup> *Sessional Papers of Canada*, 1871, No. 20, p. 2.

North-Western Territory when united with Canada" in his pocket, set out on his ill-fated mission of taking over the new empire in 1869. No difficulties, political or constitutional, seemed imminent at that time; and it was not until Riel's emissaries courteously but firmly escorted McDougall back across the international boundary that another prospect began to develop at Red River.

The main current of the Riel Insurrection is negligible for this survey except in its bearing upon the administration of the public lands. Here its results were immediate and far-reaching. For the French Métis and clerical interests in Assiniboia a little Quebec on the banks of the Red River seemed necessary if their rights of language, separate schools, and even survival on the land itself, were not to disappear before the boasted "march of the new Dominion to the Pacific". Safeguards were to be found only in statutory guarantees as a Canadian province. Beyond question the new Province of Manitoba was the direct result of the Riel Insurrection; and the statutory guarantees were to be found in the Manitoba Act.

There can be no doubt that local control of public lands was one of the immediate demands not only of the French Métis at Red River but of every interest there, English-speaking and French, in every "list of rights" which appeared during the Red River troubles of 1869-1870. It was to be found in the primitive list drawn up by Riel and his followers on December 1, 1869; in a more comprehensive "list of rights" (section 17) discussed in detail with Commissioner Smith at the famous convention at Fort Garry in February, 1870;<sup>2</sup> in a third list for provincial status advocated by Riel and his associates;<sup>3</sup> and in the "secret list" which formed the basis for the Manitoba Act in the discussions of April and May, 1870, in Ottawa.<sup>4</sup>

But the same motives which had prompted the subordination of "Rupert's Land and the North-Western Territory" applied with equal force to the new Province of Manitoba. The purposes of the Dominion, said Sir John A. Macdonald in discussing the Manitoba Bill, could be effected "only by carrying out that policy of keeping the control of the lands of the country and . . . they had deter-

<sup>2</sup> In favour of organization as a Territory, in defiance of Riel's demand for provincial status: "That the Local Legislature of this Territory have full control of all the public land."

<sup>3</sup> Section 11. "That the Local Legislature of the Province of Assiniboia shall have full control over all the public lands of the Province."

<sup>4</sup> Section 11: "That the Local Legislature of this Province shall have full control over all the lands of the North-West."

mined to do so." The Métis were placated, as we have seen (Chapter II, section 5), by the reservation in the Manitoba Act (33 Vict., c. 3, s. 31), of 1,400,000 acres "for the benefit of the families of the half-breed residents". But the public lands of the province were to be "administered by the Government of Canada for the purposes of the Dominion" (33 Vict., c. 3, s. 30); and the doubtful validity of this historic enactment was repaired by the Imperial B. N. A. Act of 1871, confirming the Manitoba Act "for all purposes whatsoever".

The historic "purposes of the Dominion" in the administration of Dominion Lands for sixty years, are here to be found in their most appropriate context (see Chapter II, section 2). The national emergencies of 1870 were a measure of their immediate importance.

Several of these were Canadian in their origin, and might perhaps have been met by other expedients under provincial status. The compensation of the Hudson's Bay Company for the surrender of Rupert's Land to the Crown had devolved at last upon the new Dominion. In 1864 the Company had advocated a Crown Colony under the Colonial Office with the retention by the Company of proprietary rights over the land. The rejection of this project by the Colonial Office—prompted no doubt by the contemporary dispute with the absentee proprietors of Prince Edward Island—was based upon the historic principle that since the concession of responsible government "Colonists of the Anglo-Saxon race look upon the land revenues as legitimately belonging to the community." The Company, more than willing to accept compensation "in hard money", suggested, as late as 1868, the sum of "one million sterling" for that purpose. When the Rupert's Land Bill was introduced in that year it seemed that for Rupert's Land as for Vancouver Island in 1866 the compensation to the Hudson's Bay Company was to be paid by the imperial government. By this time, however, the process of devolving imperial responsibilities in North America upon the shoulders of the new Dominion had become an accepted policy. In the House of Commons the bill was amended by the proviso that "no Charge shall be imposed by such terms upon the Consolidated Fund of the United Kingdom"; and the Dominion discovered with some dismay that it was necessary either to forego the transfer for another session or compensate *in loco parentis* the Hudson's Bay Company for the surrender of Rupert's Land to the Crown. The Company, as we have seen (Chapter X, section 4), was to receive £300,000 in cash, the reservation of certain blocks



of land in the vicinity of their posts, and one-twentieth of all the land in the fertile belt. And thus the obligations which the Dominion had assumed so reluctantly from the imperial government were to be defrayed—both lands and cash—from the new territory. Under the Manitoba Act, said Macdonald, “they would be in a position to obtain repayment of the disbursement of the £300,000. . . . The expense would be defrayed by that means instead of being charged against the people of the Provinces of Ontario, Quebec, Nova Scotia and New Brunswick.”

The two major “purposes of the Dominion”, however, were less devious in their origin, and reflected directly the neighbourhood of the United States. The first in point of time and importance was the necessity of building a railway to the Pacific on British soil to counterbalance the Union Pacific and the Northern Pacific south of the boundary. By 1870, it is true, the railway land grant system was already being discredited in the United States. In the end not one of the land grant railways to the Pacific escaped the hands of the receiver; and the Great Northern, the most conspicuous example of a different technique, was the first to reach Western Canada in the branch line to Winnipeg in 1878. In 1870, however, and for two decades thereafter in Canada, the need was imperative and no other resource was available. “The lands of Manitoba,” said Cartier at the Manitoba Act, “had been given up for nothing” and could be “used for the construction of the British Pacific Railway from the East to the West.” The people of Manitoba, added Macdonald, wished “to have all the land within the boundary as in other Provinces. . . . The land could not be handed over to them, it was of the greatest importance to the Dominion to have possession of it, for the Pacific Railway must be built by means of the land through which it had to pass.” Fifteen years later the Canadian government still regarded “the expenditure in construction and cash subsidy” for the C. P. R., as “an advance, to be repaid from the lands.”<sup>5</sup> In 1883, Sir Charles Tupper, then Minister of Railways, defended the policy with his customary candour:

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The interests of this country demand that the Canadian Pacific Railway should be made a success. . . . Are the interests of Manitoba and the North-West to be sacrificed to the interests of Canada? I say, if it is necessary. yes.

Despite the “land-lock” of railway reserves and the “monopoly clause” of the C. P. R. charter, the province was not disposed to

<sup>5</sup> *Sessional Papers of Canada*, 1885, No. 61.

quarrel with this policy or with the emergency which made it imperative. But the cost, as we have seen, was a kingdom of railway land grants the size of England; and the railway land grant system survived until 1894, with results both good and bad for the permanent settlement of Western Canada.

The second of the dominant "purposes of the Dominion" to reflect the influence of the United States has already been traced in greater detail (Chapter II, section 2). "It would be injudicious," said Macdonald, "to have a large province which would have control over lands and might interfere with the general policy of the Government. . . . The land regulations of the Province might be obstructive to immigration. All that vast territory should be for purposes of settlement under one control and that the Dominion legislature." In the free-homestead system, appropriated as a national necessity from the United States, the Dominion developed a technique of its own to produce customs revenues for the federal government and traffic for the railways. Parliament "pledged its faith to the world that a large portion of those lands should be set apart for free homesteads to all incoming settlers."<sup>6</sup> After the passing of the railway land grant system the free homestead became in fact as well as in theory the staple of land settlement for Western Canada. For Saskatchewan and Alberta in 1905 as for Manitoba in 1870 it remained one of the dominant "purposes of the Dominion". "Instead of administering these lands for the purpose of settlement," said Clifford Sifton, the new provinces might "administer them for purposes of revenue. . . . Nothing could be done which would more certainly imperil a successful settlement policy upon which the greatness and increase in the financial strength and resources of Canada depend, than, under any circumstances, to allow the public lands of the prairie provinces to pass from the control of the Dominion government."<sup>7</sup> Here as in the railway land grant policy the fiscal interests of the Prairie Provinces were frankly to be subordinated to the national interests of Canada. If the railway land grant dominated the first period of pioneer settlement to 1894, the free homestead, it must be conceded, was the staple of that phenomenal decade and a half of land settlement which added nearly a million to the population of the Prairie Provinces. With the completion of these two major "purposes of the Dominion", the return of the remaining resources to provincial control became

<sup>6</sup> *Sessional Papers of Canada*, 1885, No. 61.

<sup>7</sup> *Debates of The House of Commons, Canada*, 1905, p. 3096.

feasible; and if the cycle of Dominion Lands is to be measured by standards of national statesmanship it is fair to add that those standards must be interpreted in the light of emergencies that were admittedly abnormal.

## 2. *Poverty and Provincial Rights, 1870-1905*

The plight of the new Province of Manitoba, caught between the successful but inglorious insurrection of 1869 and the acquisitive policy of the new Dominion, was accentuated by the generous terms which the Dominion soon made with the still newer provinces of British Columbia (1871) and Prince Edward Island (1873).

With British Columbia the parallel was too close for dispute, and the contrast was complete. Vancouver Island like Rupert's Land had been held by the Company in fee simple, and the Company had been compensated for its surrender to the Crown by the payment of £57,500 by the imperial government. When the Crown colony of British Columbia was created by the union of Vancouver Island and the mainland, and "terms of union" with Canada came under discussion, the control of public lands was never in question. There as in other provinces of the Dominion it became the chief source of provincial revenues. When the building of a trans-continental railway appeared (section 11) among the fundamental "terms of union", the Dominion agreed to compensate the province for the "railway belt" which the province agreed "to convey to the Dominion Government, in trust . . . in furtherance of the construction of the said Railway":

In consideration of the land to be so conveyed in aid of the construction of the said Railway the Dominion Government agrees to pay to British Columbia, from the date of the Union, the sum of \$100,000 per annum, in half-yearly payments in advance.<sup>8</sup>

This sum which is still an annual charge against the Dominion was paid from the date of the Union in 1871, ten years before the lands were conveyed "in trust", to the Dominion. Less than 1,350 acres, as we have seen (Table IV), were used in railway land grants from the British Columbia "railway belt"; and since the lands so transferred "in trust" to the Dominion were not used for the purpose of the trust, the province has since applied to have the acreage which remained unalienated returned to provincial control. A royal commission has confirmed their claim, and the residue of the

<sup>8</sup> *Sessional Papers of Canada*, 1871, No. 18, p. 25.

"railway belt", including the "Peace River Block" which the Dominion had accepted (1883) in lieu of part of it; has reverted to provincial administration. In 1871 the population of Manitoba was larger than the white population of British Columbia. The claims of Manitoba in 1881 for compensation "in lieu of lands" were based upon the British Columbia precedent, and the amount of \$100,000 as in British Columbia found its way into the "better terms" of 1885.

The contrast with Prince Edward Island in 1873 was still more apposite, since the Dominion, in the terms conceded for the settlement of "the land question", was assuming obligations which admittedly were not hers. Practically the whole province had been granted in a single day (1767) to absentee proprietors. For a century "the eternal land question" dominated the politics of Prince Edward Island. When the movement to escheat these estates definitely failed, the province undertook to buy back many of them by Land Purchase Bills, transferring them in fee simple to small holders. Of the total area of 1,390,720 acres, some 457,000 acres, or about one-third of the whole colony, had been purchased in this way by 1873. An imperial commission, with Joseph Howe as chairman, had brought in an exhaustive report advocating the principle of compulsory sale or arbitration, and an imperial loan to finance the project. The issue was still unsettled at the time of Confederation, and the settlement of "the land question" became the first issue of the day.

Protracted negotiations resulted at last in the entrance of Prince Edward Island into Confederation in 1873. The Dominion first undertook to secure for P. E. I. from the imperial government "fair compensation for the loss of Crown lands", or in default of this to pay from the Dominion Treasury a lump sum of \$800,000 "as a compensation for the loss of such Crown lands." This was not satisfactory to the Island legislature, though it was conceded that "the Dominion, from whom the Island has received no injury . . . is required to assume a duty which, clearly, is not hers."<sup>9</sup> In the end the terms of 1873 provided: (a) a subsidy of \$45,000 per annum (the interest on a sum of \$900,000) in perpetuity from the Dominion "in lieu of the lands thus granted by the Crown" and in default of "revenue from that source"; and (b) the loan of various sums from time to time not to exceed \$800,000 for the expropriation of the remaining lands (some 380,000 acres) from the proprietors. These

<sup>9</sup> *Sessional Papers of Canada*, 1870, No. 31, pp. 7, 9.

lands in turn were sold to small holders, and more than reimbursed the province for the sums borrowed from the Dominion. The first adjustment "in lieu of lands" in Manitoba in 1882—twelve years after the Manitoba Act—was \$45,000 a year "as is done in Prince Edward Island."

To this practice of provincial control of public lands, Manitoba became for more than a generation the one exception among the Canadian provinces. A premature province—a scattered population of 11,000 people caught in the eddy of a premature but imperative national policy—was thrust, by the operation of a single statute, from primitive Hudson's Bay paternalism into the full responsibilities of self-government. Without public lands and with no compensation in lieu of lands, it was necessary to "make bricks without straw." There were elements of humour in the symptoms of fiscal poverty. The legislature met in a private house. The feud between Winnipeg and Selkirk to become the capital of the new province was thought to have been decided by the erection of a new court house in Winnipeg. One of the early premiers of the province lamented that the provincial revenues were "not enough to run a decent hotel". The Legislative Council was abolished because the province could not afford to pay the sessional indemnity of seven councillors at \$300 per annum. The economy, as it happened, was dictated from Ottawa. A temporary addition of \$26,000 was made to the federal subsidy for cost of government for five years from 1876 to 1881, on condition that the constitution of the province should be "simplified and cheapened by the abolition of the second chamber."<sup>10</sup> To the grim humour of those early days, Edward Blake once added a more serious note of "great and melancholy privation".

Measured by the regular federal subsidy "for cost of government" to all the provinces the per capita subsidy to Manitoba was not ungenerous: in 1871 it was \$2.66 as against 67 cents for Quebec, 64 cents for Ontario, \$1.20 for New Brunswick, and \$1.21 for Nova Scotia.<sup>11</sup> For British Columbia however it was \$5.90; and none could seriously compare the per capita "cost of government" of a primitive frontier community with that of old and populous provinces, with public buildings and permanent institutions long established under generations of colonial development and subsequent self-government. There was scarcely a year from 1870 to 1885

<sup>10</sup> *Sessional Papers of Canada*, 1876, No. 36.

<sup>11</sup> Department of Finance, April 2, 1929, Man. Res. Commission.

when Manitoba was not fiscally dependent upon the Dominion. With no public lands as a source of revenue, and for twelve years with no compensation "in lieu of lands", the province relied upon perennial pilgrimages to Ottawa at a time (1880) when Nova Scotia derived about eighty per cent. and New Brunswick seventy-five per cent. of strictly provincial revenues from their public lands. For many years the very process of settlement burdened the provincial government with almost intolerable obligations, and forced the creation of premature municipalities "at a period in her history much earlier than in that of any other of the Provinces of Canada."<sup>12</sup> More than once the last fiscal resource of the provincial treasurer proved to be an advance on the School Fund or on the debt allowance of the Province.

The first successful movements for provincial rights in respect of public lands in 1881 and 1884 owed their success, no doubt, to the unanswerable precedents of British Columbia and Prince Edward Island:

The policy of Canada towards Manitoba stands out in marked contrast . . . for while we find British Columbia enjoying all the privileges conferred on the other Provinces . . . and Prince Edward Island, which had no public domain, when entering Confederation, receiving an annual allowance . . . clause 30 of the Manitoba Act provides that all ungranted and waste lands in the Province shall be vested in the Crown and administered by the Government of Canada for the purposes of the Dominion. . . .

The necessary expenditure of the Province has been augmented without any corresponding revenue.<sup>13</sup>

It was in reply to these claims that the Dominion government announced for the first time "their willingness to allow Manitoba at the rate of \$45,000 a year as is done in Prince Edward Island, in lieu of lands."

A second adjustment with Manitoba was made in 1885 as a result of fiscal difficulties which threatened to bring the government of the province to a standstill. "Land-lock" and the "monopoly clause" of the C. P. R. charter added fuel to the conflict of local faction. What with School Lands (sections 11 and 29), Hudson's Bay lands (sections 8 and three-quarters of 26), and railway land grants of the odd-numbered sections "fairly fit for settlement", nearly five-ninths of every township (Fig. 8) were reserved, and complicated, like the Clergy Reserves of Upper Canada, the building

<sup>12</sup> Report of Executive Council of Manitoba, *Sessional Papers of Canada*, 1883, No. 108, pp. 9-12.

<sup>13</sup> *Sessional Papers of Canada*, 1882, No. 82a.

of roads, schools, and bridges for the rest. The expedients resorted to even by purchasers of C. P. R. lands to evade taxation by exploiting the tax-exemption granted to the Company for twenty years were soon to become chronic "grievances" in Western Canada. In 1887 no fewer than 54,240 acres in a single municipality were not taxable.<sup>14</sup> The "monopoly clause" of the C. P. R. charter<sup>15</sup> was enforced by the Dominion by the disallowance of provincial charters until pitched battles between rival "construction gangs" were narrowly averted. Here as in the western states political and financial factions added to the confusion. When Premier Norquay finally claimed for Manitoba (1884) "the control, management and sale of the public lands within its limits, for the public uses thereof . . . and to receive from the Dominion Government payment for the lands already disposed of by them within the Province", he was confronted at Ottawa with the federal expenditures not only for surveys and administration but for the compensation to the Hudson's Bay Company for the surrender to the Crown, for "the moneys granted in annuities to the Indians", and for the Wolseley Expedition against the Riel Insurrection. Hon. Mackenzie Bowell who introduced the resolution for "the terms of 1885" in the House of Commons reaffirmed the policy of the Dominion: "The large expenditure which has been made by the Dominion Government in aid of railways in that Province and the fact that they were pledged to the world that the homestead system should prevail in that country were considered of sufficient importance to justify the Dominion in retaining control of those lands."<sup>16</sup>

The terms of 1885 provided the "settlement" which prevailed until the extension of the boundaries of Manitoba in 1912: (a) the \$45,000 which had been allowed in 1882 "as is done in Prince Edward Island, in lieu of lands" was increased to \$100,000 a year as in British Columbia for the "railway belt"; (b) the "swamp lands" (see Chapter XI, section 1) were to be "transferred to the Provincial Government and inure wholly to its benefit"; (c) 150,000 acres "of fair average quality" were to be set aside for the University of Manitoba; (d) and "if such modified agreement is not accepted by the Legislature of the Province of Manitoba at its next session as a full settlement of all questions discussed, it shall become null

<sup>14</sup> Mr. Watson for Marquette in *Debates of the House of Commons, Canada*, 1887, p. 222.

<sup>15</sup> "For twenty years from the date hereof, no line of railway shall be authorized by the Dominion Parliament to be constructed south of the Canadian Pacific Railway, from any point at or near the Canadian Pacific Railway, except such lines as shall run south-west; nor to within fifteen miles of latitude 49."

<sup>16</sup> *Debates of the House of Commons, Canada*, 1885, 2789-90.

and void."<sup>17</sup> The "finality clause" brought a storm of protest; the agreement finally passed in Manitoba at six o'clock in the morning after one of the stormiest sessions in the history of the legislature. The vicissitudes through which all of these terms have since passed must be noted in another context: the subsidy in lieu of lands has been changed twice, provisions relating to the "swamp lands" have been "settled" three times, the university grant was charged back upon the province at \$2 per acre in 1912, and the "finality clause" may fairly be said to have destroyed Hon. John Norquay and his party in Manitoba.

It was during this contest for "better terms" that the Dominion reinforced its policy by developing the "purchase" theory of Rupert's Land, based upon the administration of the public domain in the United States. Manitoba, like the vast territory added to the republic by the Louisiana and Gadsden and Alaska purchases, had been "purchased" from the Hudson's Bay Company: "the whole of Manitoba was acquired by purchase from the Hudson's Bay Company and thus became the property of the Dominion, and stands really . . . in the same position as lands in the Territories of the United States, which are not given to new States as these new States are created, but remain the property of the United States."<sup>18</sup> In the terms of 1885 the doctrine was elaborated in greater detail, with direct results that are obvious in the provisions with regard to university and swamp lands: "the Federal Government of the United States . . . rigidly retains the public lands of the States except those it may appropriate for special purposes, allotting to the State only swamp lands which, when drained, became a source of profit."<sup>19</sup> It will not be necessary to explore here these plausible analogies which did service in many devious ways until the claims of the Prairie Provinces, as a prelude to their final settlement in 1930, were based squarely upon constitutional rights developed in the original provinces of Canada. It was forgotten that these principles had been vindicated by the Canadian provinces themselves in the achievement of responsible government; that they had been confirmed in section 109 of the B. N. A. Act of 1867 itself for the original provinces, and had been extended by the terms of union to British Columbia "as if the Colony of British Columbia had been

<sup>17</sup> Pope to Norquay, January 10, 1885, *Sessional Papers of Canada*, 1885, No. 61.

<sup>18</sup> *Sessional Papers of Canada*, 1882, No. 82a. For the "purchase theory" see Chester Martin, *The Natural Resources Question* (Winnipeg: King's Printer, 1920) Chapter III.

<sup>19</sup> *Op. cit.*, 1885, No. 61.



one of the Provinces originally united by the said Act";<sup>20</sup> that proprietary rights in Prince Edward Island had been redeemed from absentee proprietors to become the "property" not of Canada but of Prince Edward Island; that the compensation to the Hudson's Bay Company had been paid (under *duress* by Canada) for the surrender of Rupert's Land to the Crown on June 22, 1870, while the transfer to Canada on July 15, 1870, had conveyed no more "property" to the Dominion in Manitoba than in Vancouver Island which had passed through the same process; that the "North-Western Territory" beyond the chartered territory of Rupert's Land had never been the "property" even of the Hudson's Bay Company, and its transfer to Canada in 1870 involved no compensation whatever; that every feature of the transfer of 1870 had been carried out with scrupulous regard for sound constitutional procedure; and that Manitoba became (as it continued for thirty-five years) the only exception to this practice in the British Empire after the concession of responsible government. As late as 1905 the analogies from the public domain of the United States reappeared in the controversy, and the "purchase" theory was invoked at inter-provincial conferences as late as 1918 to imply the "property" rights of the other provinces in the public lands of Manitoba, Saskatchewan, and Alberta. The first effective step, as we shall see, for the settlement of the "Natural Resources Question" was to rescue the issue from interprovincial conferences and negotiate its settlement between the Dominion as such and the Prairie Provinces themselves.

### 3. *New Provinces and New Subsidies "in Lieu of Lands"*

The creation of Alberta and Saskatchewan in 1905 raised anew the administration of public lands, but raised it fortunately above the desperate "haste and inadvertency" which had accompanied the Manitoba Act. Opinion for a time was divided upon the issue. Sir Frederick Haultain—leader at that time of the territorial legislature—may fairly be called, after Premier Norquay, the Nestor of "provincial rights" in respect of public lands. Sir Robert Borden lent the weight of his authority to the claims of "constitutional right", though his own administration after 1911 and the contemporary Conservative government of Manitoba both subscribed, as we shall see, to the "Saskatchewan terms" of 1905 by applying

<sup>20</sup> *Op. cit.*, 1871, No. 18.

them to Manitoba in 1912 pending the return of the resources to provincial control.

In 1905 the continuation of federal control of public lands fairly won the day. The "purposes of the Dominion" were no longer railway land grants—for these, except for the Hudson Bay railway, were abandoned in 1894—but free homesteads, the key, as it was thought, to the "successful settlement policy upon which the greatness and increase in the financial strength and resources of Canada depend."<sup>21</sup> Administration for purposes of revenue by the provinces would imperil these prospects. Administration "by the Government of Canada for the purposes of Canada" was still retained, therefore, in the Alberta and Saskatchewan Acts (3 & 4 Edw. VII, c. 3, s. 21 and 3 & 4 Edw. VII, c. 42, s. 21), but the necessity for "compensation" was frankly recognized;<sup>22</sup> and the way in which that "compensation" was devised proved the most significant ingredient, perhaps, in the final settlement of the "Natural Resources Question".<sup>23</sup>

The basis of "compensation" was ingenious and significant. The Dominion might have compensated the provinces in a variety of ways. It might have paid the provinces a flat rate per acre as the lands were alienated. But the objections to this method were obvious. The maximum of compensation would come while the population was at its minimum; it would decrease as the population increased and would cease entirely just when the province needed

<sup>21</sup> Clifford Sifton in *Debates of House of Commons, Canada*, 1905, p. 3096.

<sup>22</sup> "We must all recognize that the provinces in the West, in being deprived of the public lands, are deprived of a valuable source of income. And in that way they complain that they are put on a footing of inequality as compared with the older provinces of the Dominion. . . . It is the duty of parliament to make ample, even generous provision which will compensate the provinces for the retention of the lands by the Federal Government". Sir Wilfrid Laurier, *op. cit.*, 1905, p. 1434.

<sup>23</sup> Sir Wilfrid Laurier's original resolutions of March 22, 1905, were as follows:

"Resolved, that inasmuch as the public lands in the said province are to remain the property of Canada; there shall be paid by Canada to the said province by way of compensation therefor a sum based upon the estimated value of such lands, namely, \$37,500,000, the said lands being assumed to be of an area of 25,000,000 acres and to be of the value of \$1.50 per acre, and upon the population of the said province, as from time to time ascertained by the quinquennial census thereof, such sum to be arrived at as follows:—

The population of the said province being assumed to be at present 250,000, the sum payable until such population reaches 400,000 is to be one per cent. on such estimated value, or \$375,000;

Thereafter, until such population reaches 800,000, the sum payable is to be one and one-half per cent. on such estimated value or \$562,500;

Thereafter, until such population reaches 1,200,000 the sum payable is to be two per cent. on such estimated value, or \$750,000;

And thereafter such payment is to be three per cent. on such estimated value, or \$1,125,000."

Sir Wilfrid Laurier's original resolutions were amended in committee (May 4 and 5, 1905) at the suggestion of Sir Clifford Sifton, omitting (as Mr. Fielding stated in moving the amendment) "the argument on which the allowance is founded. . . . It does not change the substance of these resolutions but only their form."

it most. The scheme finally devised was to fund at the outset the compensation for lands which the Dominion proposed to use for national purposes. Both area and price, it is true, were somewhat arbitrary—twenty-five million acres in each province and \$1.50 per acre—since the area mentioned in the Act was scarcely one-fifth the area of either province. Even in 1905, it would seem, the “purposes of Canada” were not to administer the lands indefinitely. Once this “compensation fund” of \$37,500,000 was fixed, the whole basis of acreage and price was dropped and a sliding scale of interest, adjusted to the population, was applied to the compensation fund. From 250,000 to 400,000 of population the rate was to be one per cent. or \$375,000; it was to be one and one-half per cent. from 400,000 to 800,000; two per cent. from 800,000 to 1,200,000; and thereafter three per cent. or \$1,125,000. In this way the gross acreage and valuation basis was transformed to an interest and population basis—the high voltage, so to speak, of rapid alienation and compensation was transformed first of all into low voltage, suitable for the small population, to be “stepped up” into higher voltage in accordance with the fiscal needs of the province. The schedule of financial terms in the Acts of 1905 represented, therefore, not a capital compensation but an interest payment upon this compensation fund which the Dominion proposed to grant in return for lands retained for the “purposes of the Dominion”. By 1928 these purposes had been achieved, for it was conceded that the free-homestead system had then performed its function; and since the lands so disposed of had been alienated in perpetuity it was fair and just that the schedule of interest payments should also be continued in perpetuity; while the resources in which the Dominion was no longer interested for the original “purposes of the Dominion” were to revert to the provinces.

In 1912 the Saskatchewan terms of 1905 were applied to Manitoba and made retroactive to 1908. No wider range of acquiescence by political parties could perhaps be found than that accorded at one time or another to the terms of 1905. They were passed by the Liberal administration of Sir Wilfrid Laurier; acquiesced in by the Liberal administrations of Alberta and Saskatchewan; claimed at once by the Conservative administration of Sir Rodmond Roblin in Manitoba; conceded to Manitoba in 1912 by the Conservative administration of Sir Robert Borden; accepted as the basis of claim by all three Prairie Provinces—two Liberal and one Conservative—in 1913; underwritten by the Turgeon Commission in 1929 in

effecting a final settlement; and carried into effect by the Bracken government of Manitoba and the Liberal administration of the Dominion in 1930. The same basis was accepted by the Farmer government of Alberta and the Conservative government of Saskatchewan, though special claims of both provinces have since been submitted to commissions for further adjustment. The "Saskatchewan terms" of 1905 have thus formed the basis for a settlement of the issue in all three of the Prairie Provinces upon substantially the same terms.

One curious anomaly survived the application of the "Saskatchewan terms" to Manitoba in 1912, until it was removed by the Turgeon Commission and settlement of 1930. It was stipulated that the swamp lands and their proceeds, together with the university lands (150,000 acres at \$2 per acre) in the "better terms" of 1885 should revert to the federal government before the Saskatchewan schedule of subsidies "in lieu of lands" could be extended to Manitoba. In effect this proved to be the confiscation of more than half the "better terms" of 1885.<sup>24</sup> From 1895, when the swamp lands were first offered for sale, until 1912, some 848,000 acres had been sold for \$3,189,167, with net proceeds, after deducting costs of selection, drainage, administration, and sale, of \$2,769,856. These net proceeds (along with the remaining swamp lands and the value of 150,000 acres of university lands at \$2 per acre) were returned to the Dominion and charged back upon the province in the form of a deduction of \$153,492.82 from the annual subsidy "in lieu of lands".<sup>25</sup> It was not until 1930, as a result of the Turgeon Commission, that Manitoba became entitled to the full schedule as outlined in 1905.

For the territory added (by the same statute) to the province in 1912 by the extension of the boundaries to Hudson Bay the public lands were still to be "administered by the Government of Canada for the purposes of Canada" (2 Geo. V, c. 32, ss. 5 and 6). The purpose of that measure, in the words of Sir Robert Borden, had been "to place Manitoba on a basis of equality with Saskatchewan and Alberta. So far as I can comprehend the situation it did not mean more than this."<sup>26</sup> Equality with the other provinces of Canada was another matter; and the Prairie Provinces, presenting

<sup>24</sup> \$2,769,856 in net proceeds from swamp lands and 1,170,883 acres still unalienated, as compared with \$2,000,000 from the regular subsidy "in lieu of lands" from 1885 to 1908.

<sup>25</sup> Until 1930 the subsidy "in lieu of lands" for Manitoba was \$409,007.18 instead of \$562,500 as in Alberta and Saskatchewan for the same schedule.

<sup>26</sup> Sir Robert Borden to Premier Scott, Jan. 9, 1913.

for the first time a united front, addressed to Sir Robert Borden in December, 1913, an historic proposal:<sup>27</sup>

that the financial terms already arranged between the Provinces and the Dominion as compensation for lands should stand as compensation for lands already alienated for the general benefit of Canada, and that all lands remaining within the boundaries of the respective Provinces, with all natural resources included, be transferred to the said Provinces.

From this point the movement for the transfer of the "natural resources" of the Prairie Provinces to provincial control was fairly launched. The terms of the final settlement in 1930 will be found a remarkable commentary upon the sagacity of the Hon. A. L. Sifton in the terms drafted for the joint memorandum of December, 1913.

#### 4. *The Transfer of 1930: the Manitoba Settlement*

The decade from the Saskatchewan and Alberta Acts witnessed the settlement of an agricultural frontier, perhaps the last agricultural frontier in North America to be settled by that remarkable series of mass migrations across the continent. From 1901 to 1911 the population of the Prairie Provinces increased by nearly a million, many thousands of them attracted from previous "frontiers" in the United States. As early as 1911, the Prime Minister of Alberta, though approving the "reasons of high public policy" which prevailed in 1870 and 1905—"the policy of the Parliament of Canada relating to the public domain may be conceded to have been justified by events"—suggested to Sir Wilfrid Laurier that "the potency of these observations in favour of a continuation of this policy has passed away."<sup>28</sup> Joint terms for the three Prairie Provinces were drafted, as we have seen, in 1913,<sup>29</sup> and remained until 1918 the basis of negotiation with the federal government.

Some of the results of the proposed "terms of 1913", however, were unfortunate and unforeseen. They invited confusion in Eastern Canada between two completely different issues, the subsidies for general purposes of government paid regularly to all the provinces by the Dominion, and the issue of public lands in the Prairie Provinces in which the "subsidies in lieu of lands" were but details of adjustment. There was no recognition, moreover, of the special claims of Manitoba for the twelve years, 1870-1882, during which no "subsidies in lieu of lands" were paid, and for the twenty-six

<sup>27</sup> Drafted by the Hon. A. L. Sifton, then Prime Minister of Alberta.

<sup>28</sup> Hon. A. L. Sifton to Sir Wilfrid Laurier, Mar. 20, 1911.

<sup>29</sup> After a conference at Ottawa on October 29.

succeeding years of inequality with the Saskatchewan schedule of 1905. Perhaps the most immediate result of the "terms of 1913" was unforeseen. Other provinces of Canada, regarding them as an infringement upon the purely fiscal arrangements between the provinces and the Dominion, interpreted them as a warrant for intervening in the "Natural Resources Question" of the Prairie Provinces. Beyond a doubt the plausible doctrine of "purchase"—that the Prairie Provinces were "administered by the Government of Canada for the purposes of the Dominion", not for "reasons of high public policy" but because they were the "property of the Dominion"—had survived the desperate expedients of the eighties to find a very receptive lodgement in the political doctrines of the older provinces. At the interprovincial conference of November, 1918, all the other provinces of Canada, including Prince Edward Island and British Columbia, signed a joint protest against the proposed "terms of 1913" unless "a proportionate allowance . . . be granted to each of the other provinces of Confederation."

The interprovincial conference of November, 1918, proved to be the last to which the Prairie Provinces submitted the "Natural Resources Question". Two conclusions seemed obvious: the issue of public lands, to be decided on its merits, must be separated from the perennial problem of federal subsidies to all the provinces; and the "purchase" theory with its corollary of colonial subordination as "the property of the Dominion" was no longer acceptable to the Prairie Provinces. Without abandoning the general principles upon which the "Saskatchewan terms" were based, the Province of Manitoba determined at all costs to simplify and isolate the issue. At the Dominion conferences of December, 1920, and May, 1921, with the Prairie Provinces alone, the fiscal aspects of the problem were subordinated to the central issue of constitutional right "as from the date of provincial organization and responsible government; the reversion to the Province of those (lands) which remain and compensation for those which have been alienated." The doctrine that three provinces of Canada could "belong" to the rest—could be "the property of the Dominion", "purchased", "owned", and therefore indefinitely "administered by the Government of Canada for the purposes of the Dominion"—was "without basis either in historical fact or in sound constitutional procedure." In an issue which "was not a question of subsidies at all but of lands, and of lands only, as from 1870", there was "no occasion whatsoever for the intrusion of the other provinces":

This province has never been disposed to stand uncompromisingly upon the rigid letter of the law in interpreting the fiduciary obligations of the Dominion. The general basis of settlement being conceded upon bold and clear lines, we believe that equitable adjustments could be arranged by common consent, or in the last resort, by arbitration.<sup>30</sup>

The following year (April 21, 1922) the agreement was reached which provided at last the basis of a final settlement:

*As between the Government of Manitoba and the Dominion Government it has been agreed,—*

(1) That it is desirable and just that *such adjustments be made* between the Dominion of Canada and the Prairie Provinces with respect to their natural resources as will give *full recognition to the principle that in this respect they are entitled to be placed in a position of equality with the other provinces of Confederation.*

(2) That the Government of Canada will negotiate *an agreement with the Prairie Provinces with the above object in view*, such agreement to be subject to ratification by Parliament and the respective Legislatures.

(3) That *failing agreement* on any point *as between the Dominion and the Province of Manitoba* all such items so in dispute shall be *referred to arbitration.*

(4) That any awards made by such arbitrators shall be *subject to ratification by Parliament and the Legislature of Manitoba.*<sup>31</sup>

The final stages of negotiation it would be tedious to follow in detail. In truth the proposals and counter-proposals advanced from time to time from the unfortunate conference of 1918 to the final settlement of 1930 fairly exhausted the range of political ingenuity: to return the lands and stop the subsidy; to continue the schedule of 1905 with an "abatement of subsidy"; to attempt "compensation upon a fiduciary basis" for lands already alienated, the principle to be applied "upon bold and clear lines" at a "flat valuation per acre" as in the Saskatchewan terms of 1905; to continue the schedule of 1905 in perpetuity; to continue the schedule and make it retroactive to the years of inadequate "compensation" before 1908 and of no compensation at all before 1882. No fewer than six conferences were held during the decade from 1918. As early as 1922, at the conclusion of a conference in November of that year, the province was "inclined to urge that . . . the time had come for arbitration." An attempt was made in 1924 to agree upon a settlement piecemeal by beginning with the School Lands as the least contentious phase of the problem.<sup>32</sup> By 1928 both parties were

<sup>30</sup> Brief of Manitoba, May, 1921.

<sup>31</sup> The Rt. Hon. W. L. Mackenzie King in *Debates of House of Commons, Canada*, 1922, p. 1018. The italics are used to emphasize the basis and method of procedure.

<sup>32</sup> "If under that agreement (of April 21, 1922) this phase of the question cannot be settled by negotiation and mutual consent there would seem to be no hope of settling anything by that method." Brief of Manitoba, Jan. 4, 1924

inclined to concede "after two formal conferences, five or six informal interviews, and almost continuous correspondence, that the attempt to reach a settlement by mutual consent had broken down" (January 10, 1928). The time was propitious, however, for a final settlement. The spirit in which the Duncan Report for the Maritime Provinces was implemented by the Dominion was reflected in the interprovincial conference of November, 1927, which met in the shadow of the sixtieth anniversary of Confederation. Though not directly concerned with the "Natural Resources Question", the other provinces at the conference advisedly effaced the impressions of November, 1918.<sup>33</sup> Early in 1928 a final conference was agreed upon: "one further attempt . . . to settle the matter by this means, failing which we should reach a definite agreement as to the tribunal of arbitration and the terms of reference."<sup>34</sup> The result was the conference of July 3-4, 1928, and the agreement which stands with the original agreement of April 21, 1922, as the cardinal point of reference for the final settlement of 1930:

(1) *The Province of Manitoba to be placed in a position of equality with the other provinces of Confederation with respect to the administration and control of its natural resources, as from its entrance into Confederation in 1870.*

(2) *The Government of Canada, with the concurrence of the Government of Manitoba, to appoint a Commission of three persons to inquire and report as to what financial readjustments should be made to effect this end<sup>35</sup>.*

The commission, composed of Hon. W. F. A. Turgeon, Hon. T. A. Crerar, and Charles M. Bowman, was appointed by Order-in-Council (P.C. 1258) on August 1, 1928, and presented its report on May 30, 1929. The award which formed the basis not only of the Manitoba settlement but for subsequent agreements with Alberta

<sup>33</sup> "Premier Tachereau declared that his province had no objection to the return of the natural resources to the West. . . . Both he and Premier Ferguson had no objection to the Western provinces continuing to retain their subsidies in lieu of lands."—Official Précis of Dominion-Provincial Conference, Nov. 3-10, 1927.

<sup>34</sup> Rt. Hon. W. L. Mackenzie King to Hon. John Bracken, February 28, 1928.

<sup>35</sup> "(3) The Commission to be empowered to decide what financial or other considerations are relevant to its inquiry.

(4) The findings of the Commission to be submitted to the Parliament of Canada and to the Legislature of Manitoba.

(5) Upon agreement on the financial terms following consideration of the report of the Commission, the respective Governments to introduce the necessary legislation to give effect to the financial terms so agreed upon, and to effect the transfer to the province of the unalienated resources within its boundaries, subject to any trust existing in respect thereof, and without prejudice to any interest other than that of the Crown in the same.

(6) Pending the transfer, the policy of the Government of Canada in the administration of the natural resources of Manitoba to be in accord with the wishes of the Government of the Province."

Report of the Prime Minister, July 14, 1928, in P.C. 1258. The italics are used as before to emphasize the basis and method of procedure.



(December 14, 1929) and Saskatchewan (March 20, 1930), may be summarized as far as possible in the terms of the Report itself:

(a) "*The Crown lands of the Province remaining unalienated*, will be transferred to the Provincial Government as a matter of course." As early as 1921, the federal government had been prepared to waive even the stipulations of 1915 with regard to the free-homestead system in transferring the remaining resources to provincial control.<sup>36</sup>

(b) *The compensation for lands alienated since July 15, 1870*, presented a more difficult problem, simplified, however, by the principles embodied in the terms of reference. The following fragmentary excerpts, though doing violence to the closely reasoned argument of the Report, will illustrate the approach to the final adjustment:

The resources disposed of by the Dominion cannot now be returned. In the light of the Order-in-Council the retention of those resources in 1870 must be looked upon as an expropriation for which adequate compensation, or the balance justly due as adequate compensation, must now be paid. . . . The consideration which Manitoba has received in the past cannot be deemed adequate . . . upon the basis of the Order-in-Council. . . .

The Dominion is liable to the Province for such alienations as have taken place since July 15, 1870, in the original territory known as Manitoba; since 1881, in the territory of the Province as extended in that year; and since 1912 in the whole of the present area of the Province. . . .

We are concerning ourselves only with the question of Manitoba's lands and the amount of compensation now due to the Province in respect of those lands, making due allowance for any equities in respect to them coming to the Dominion. . . .

The purposes for which the Dominion retained the agricultural lands of the Province have now been achieved; the railways have been built and the lands settled. . . . The time has no doubt come in Manitoba when, Dominion necessities having been satisfied, and the resources set apart to meet them having been practically exhausted, the Dominion Government should pay in full for the value it has received and leave to the Province the responsibility of administering what is left.

Since the lands of Manitoba were retained in 1870, without any recognition being given to what may now be called the rights of the Province, and since we are convinced that from that time down to 1912 no attempt was made to deal with the Province upon the basis of the value of the lands retained, we think that . . . we cannot do better than to go back to the beginning and endeavour to do now what ought reasonably to have been done in 1870 if the spirit of the Order-in-Council had then governed those in authority. If the idea had then been accepted that Manitoba was entitled to occupy, in respect to its public lands, a position of equality with the other Provinces of Canada, but that, never-

<sup>36</sup> Rt. Hon. Arthur Meighen to Hon. T. C. Norris, April 27, 1921.

theless, these lands had to be surrendered to the Dominion for reasons of paramount national importance, arrangements would have been made at once to compensate the Province suitably and adequately for the loss. . . . We have applied ourselves to the task of doing now, retroactively, what we must assume ought to have been done from the first. But we are able to do it in the light of the full liability of the Dominion. . . .

We look upon this as a final settlement of the public lands question between the Dominion and the Province. We consider the payments we are about to suggest as the purchase price which is now to be paid to Manitoba for the lands of which it has been deprived from 1870 down to today. We propose therefore a plan of annual subsidies, based, as they ought to be, upon both the area and the population of the Province from time to time, beginning in 1870 and to run on from year to year for all time. . . .

Of course, we are setting off, as against the sum now due for back subsidies, all subsidies already paid under earlier arrangements, as well as the value of the swamp lands and the University lands granted under the legislation of 1885.

Upon the above basis we are providing an annual subsidy of \$60,000 for eleven years between 1870 and 1882 during which the Province received no subsidy whatever. From 1882 on, for a period of twenty years, we provide a subsidy of \$187,500, to meet the increase in area and population. From 1901-1902 down to 1908 we proposed a subsidy of \$375,000 on account of increased population. And finally from and after 1908 we adopt the subsidy scheme enacted in 1905 in respect to Alberta and Saskatchewan and applied to Manitoba in 1912.

The difference between the total sum of the subsidies which we recommend as payable from 1870 down to the present and the sum of all credits due to the Dominion, is \$4,584,212.49. This is the sum that Manitoba is to receive in cash, as the balance due for past arrears. From now on, until the population reaches 800,000, the Province will receive annually \$562,500. When the population reaches 800,000 this sum will be increased to \$750,000. Finally when the population attains the figure of 1,200,000 the amount payable annually will rise to \$1,125,000 and will remain unchangeable thereafter.<sup>37</sup>

In effect, the award provided "compensation for lands alienated" by adopting the schedule of "subsidies in lieu of lands" in the Saskatchewan terms of 1905, made payable in perpetuity, for reasons already outlined above (pp. 479f.), and made retroactive to 1870 by improvising a schedule for the two preliminary stages from 1870 to 1882 and from 1882 to 1902, when the Saskatchewan schedule of population became applicable. This resulted in the payment of (a) the "Saskatchewan schedule" in full in perpetuity for the future, without the annual deduction of \$153,492.82 stipulated in the 1912 settlement; (b) the sum of \$4,584,212.49 as arrears from 1870, after deducting sums already paid by the Dominion as "subsidies in lieu of lands", including the proceeds from swamp lands and the value of university lands transferred to the Province from 1885 to 1912.

<sup>37</sup> *Report*, pp. 30, 33, 40, 41, 42, 43.

(c) *Swamp Lands and University Lands*. In the process of applying this adjustment the anomaly already outlined with regard to swamp lands and university lands<sup>38</sup> was neatly and finally removed.<sup>39</sup>

In effect, the accumulated proceeds from swamp lands from 1885 to 1912 (\$2,769,856.66), together with the value (\$300,000) of university lands—\$3,069,856.66 in all—which the Dominion had virtually confiscated as a condition of extending the Saskatchewan schedule of subsidies to Manitoba in 1912, were returned to the province. Had this been paid in cash, the sum payable “as the balance due for past arrears” would have been \$7,654,069.15, which represents the net cash value of the arrears due to the Province of Manitoba in 1930 by the Turgeon award. Since the Dominion, however, had appropriated the \$3,069,856.66 in the form of interest at 5 per cent. (\$153,492.82) deducted from the annual Manitoba “subsidy in lieu of lands”, it was thought advisable to return it to the province through the same channel. Thus the schedule of subsidies in lieu of lands was brought into conformity with that set out for Alberta and Saskatchewan in 1905, and the Province of Manitoba was rescued from the grotesque anomaly of “paying interest to the Dominion on account of part of its own lands.”

“The unsold swamp lands” presented no problem. In the process of transferring the unalienated resources these were to “come back to the Province as a matter of course.”

(d) *The remaining School Lands and the School Lands Fund* also presented no difficulty. “The Province will receive the unsold school lands and its portion of the School Lands Fund, along with other natural resources, to be administered by the Province subject to the conditions placed upon this administration by the legislation of 1872 and 1879.”<sup>40</sup> The School Lands and School Lands Fund were thus to remain, under provincial as under federal administration, a permanent feature of land policy, a national trust “set apart as an endowment for purposes of education.”

We have completed our task (add the Commissioners in conclusion) and we submit the settlement, above outlined, as the best solution we can devise. . . . The great delay in establishing the principles of a permanent settlement and the consequent numerous proposals and counter-proposals which have been made,

<sup>38</sup> See above, pp. 438 and 481.

<sup>39</sup> *Report*, pp. 44-5.

<sup>40</sup> “During the last five years the annual return to the Province from this source has averaged slightly over \$300,000. Incidentally, the amount of this net income, derived as it is from the administration of only one-eighteenth of the surveyed area of the Province, furnishes a good example of the value of the Crown Lands in this area.” *Report*, p. 34.

and the various arrangements devoid of any clear principle which have been entered into, from time to time, have complicated the situation almost beyond the possibility of clear unanswerable solution. . . . We think that the recommendations we are making . . . are the most reasonable that can be drawn from the facts.

It will not be necessary to trace in detail the complicated process of implementing in legislation the terms of this bold and far-reaching *Report*. The imperial British North America Act, 1930 (20-21 Geo. V, c. 26) confirming the Dominion statute of May 30, 1930 (The Manitoba Natural Resources Act, 20-21 Geo. V, c. 29) and concurrent legislation in Manitoba (c. 30, Statutes of 1930), effected the transfer of the public lands of Manitoba to provincial control on July 15, 1930, the sixtieth anniversary of that earlier transfer of Rupert's Land and the creation of the Province of Manitoba on July 15, 1870. The gesture was in keeping with the temper which raised the issue, like the desperate expediency which marked its inception, to the level of constructive statesmanship. Like the siege of Troy the last phase of the "Natural Resources Question" had taken almost exactly ten years. Happily the spirit in which it closed reflected the temper of the first exchange between the Prime Minister of Manitoba and the Prime Minister of the Dominion on December 16, 1920:

We do not disparage the work of the early builders of the Dominion in a task which must have been as formidable as any which has ever been surmounted in such a cause. Their courage in achievement has always commanded admiration, and the Prairie Provinces are not without pride in having been able to lend, so to speak, to the Dominion, the immediate resources without which these great national enterprises could never have been effected.

##### 5. *The Transfer of 1930: Alberta and Saskatchewan*

The adaptation of the Manitoba settlement to Alberta and Saskatchewan, though effected in time to permit the transfer of their resources by the same imperial statute (20-21 Geo. V, c. 26) as those of Manitoba, was not carried into effect until October 1, 1930, and was attended by significant variations. Several of these have yet to be implemented. One at least—the claim of Saskatchewan to compensation for lands alienated before provincial organization in 1905—has been definitely decided in the negative by the Supreme Court of Canada and the Judicial Committee of the Privy Council. For both provinces Royal Commissions have explored the widest range, perhaps, of evidence, exhibits, technical research, and

argument that has ever been brought to bear upon the administration of public lands in British North America.

The three provinces, while very similar in fundamentals, presented nevertheless certain distinctive differences. For Manitoba, as we have seen, there was a time factor which is not found in the other two provinces: and the "compensation for public lands" was so inadequate that for the early years it amounted to deprivation altogether. There were almost twelve years altogether without compensation, twenty-six years more with inadequate compensation before attaining approximate equality with Saskatchewan and Alberta as from 1908, and twenty-two years more before complete equality was attained by the settlement of 1930. This in effect was the net result of the Turgeon award: equality with Saskatchewan and Alberta as from 1870. Saskatchewan, on the other hand, has had the largest acreage alienated under federal administration—nearly 30,000,000 acres from 1905 to 1930, including more than 2,500,000 acres of land grants for railways built in other provinces.<sup>41</sup> For Alberta there was a third distinctive difference. By virtue of mineral and other revenue-producing resources that province lost more prospective revenue than either of the others through federal administration; and every year of delay for the "transfer" meant a permanent loss to the provincial treasury.

It was for this reason, perhaps, that Alberta was prepared, on more than one occasion, to accept an earlier settlement on less favourable terms. As early as 1920 the province was prepared to accept half the existing schedule of subsidies as compensation for lands already alienated. In 1926 a formal agreement was reached in which the province was prepared to forego compensation for alienated resources altogether. The schedule of 1905 was to continue for three years only: "such payment being estimated as sufficient to meet the outlay which it will be necessary for the Province to make . . . for the administration of the public lands."<sup>42</sup> The agreement had already been implemented in draft legislation, federal, provincial, and imperial, when complications with regard to separate schools were injected into the issue and postponed further action until the Manitoba settlement opened the way to vastly better terms.

Following the Manitoba settlement an agreement with regard to fundamentals was quickly reached with Alberta (December 14,

<sup>41</sup> The area contemplated "for the purposes of Canada" in the 1905 schedule of land subsidies had been 25,000,000 acres.

<sup>42</sup> Memorandum of Agreement, Jan. 9, 1926, s. 1.

1929). The transfer of the remaining resources, the schedule of subsidies in compensation for resources already alienated from 1905 to 1930, and the School Lands and School Lands Fund presented no difficulties and were promptly settled on the Manitoba terms.<sup>43</sup> The chief variation arose from the claims of the Province to a consideration in the revenues not contemplated in the original "purposes of Canada" in retaining the lands in 1905 but accruing to the Dominion from the mineral resources of the province. It was provided therefore (s. 22) that a further commission should "enquire and report whether any, and, if any, what consideration in addition to the sums provided in paragraph twenty hereof (the schedule of subsidies), should be paid to the Province in order that the Province may be placed in a position of equality with the other provinces of Confederation with respect to the administration and control of its natural resources as from its entrance into Confederation in 1905." The procedure of report, agreement, and concurrent legislation, to be confirmed by an imperial statute, was to follow the Manitoba precedent.<sup>44</sup>

With regard to the essential features of the transfer—unalienated resources, schedule of subsidies for past alienations, and School Lands and School Lands Fund—the Saskatchewan agreement of March 20, 1930, like that of December 14, 1929, for Alberta, followed the terms of the Manitoba award. A further stipulation, however, provided for the submission of a stated case to the Supreme Court of Canada, with appeal to the Judicial Committee of the Privy Council, "as to the rights of Canada and the Provinces respectively, before the first day of September, 1905" to the natural resources "now lying within the boundaries of the Province." These claims, as we have seen, were denied by the Supreme Court (1931, Supreme Court Reports, p. 263), and the finding of the Supreme Court was confirmed by the Judicial Committee of the Privy Council in 1932 (Appeal Cases, 1932, p. 28). When the two commissions were appointed therefore by Orders-in-Council of December 29, 1933 (P.C. 2722) for Saskatchewan, and July 19, 1934 (P.C. 1588) for Alberta, the terms of reference were practically identical, and the two exhaustive reports, together with a minority

<sup>43</sup> Schedule of Agreement, Dec. 14, 1929, ss. 1, 20, and 6 respectively.

<sup>44</sup> A further agreement was embodied in the Imperial Act itself (20-21 Geo. V, c. 26, s. 2) that "the said Province shall, in addition to the the rights accruing to it under the said agreement as originally executed be entitled to such further rights, if any, . . . as are required to be vested in the Province in order that it may enjoy rights equal to those conferred upon, or reserved to, the Province of Saskatchewan." This addition was inspired no doubt by the Saskatchewan agreement of March 20, 1930, with regard to claims for lands alienated before 1905.

report of January 30, 1934, for Saskatchewan, were presented (March 12, 1935) at the same time.

The commission for the Saskatchewan case, Hon. A. K. Dysart of the Court of King's Bench, Manitoba, Chairman, George C. McDonald, Esq., Chartered Accountant, Montreal, and Hon. H. V. Bigelow of the Court of King's Bench, Saskatchewan, conducted four public sittings in Ottawa from February 7 to May 26, 1934, and one at Regina, March 26 to 28—twenty-seven days in all. For Alberta the same commission with the substitution of Hon. T. M. Tweedie of the Supreme Court of Alberta for Mr. Justice Bigelow, held five public sittings in Ottawa from October 2 to December 11, 1934. Both provinces, with the advantage not only of Dominion records transferred in the meantime to provincial custody but of permanent officials taken over by the respective provinces from the Department of the Interior,<sup>45</sup> were in a position to enter detailed exhibits of exceptional range and value. The material presented by Dominion counsel represented also the most exhaustive research by the Department of the Interior. During the sittings of the two commissions no fewer than 531 exhibits—276 in the Saskatchewan case and 255 for Alberta—were submitted in evidence by opposing counsel and subjected in many instances to the closest scrutiny. The co-ordination of personnel in the two commissions, together with the experience and efficiency of the Secretary, Mr. Oliver Master, chief of the Economic Division of the Department of Trade and Commerce, who had acted in the same capacity for the Manitoba Resources Commission, resulted in advantages that were obvious in the method and technique of both investigations.

It would be premature at the present stage to discuss either the claims of the respective provinces or the specific findings of the commissioners with regard to them. The difference between administration "by Canada for the purposes of Canada" and administration by the provinces for purposes of revenue was open to the widest range of evidence and speculation. In both cases the commissioners demonstrated, after the most exhaustive analysis of evidence and argument, that "the exact amount of any such excess cannot possibly be ascertained by any conceivable method of treatment. As so well put in the report of the Manitoba Commission in 1929, the problem of appraisal is complicated 'almost beyond the possibility of clear unanswerable solution.' " The awards were based

<sup>45</sup> Major John Barnett, Deputy Minister of Natural Resources, Saskatchewan, and John Harvie, Esq., Deputy Minister of Lands and Mines, Alberta, were both appointed from the Department of the Interior, and acted with counsel before the Commission for their respective provinces.

frankly "upon the principle of compromise,"<sup>46</sup> with "so many variables" as between Dominion and provincial "credits" that no convincing solution was possible by any other method.

A series of "general conclusions" (section 91) closes with an apt quotation from the Right Honourable Arthur Meighen when Prime Minister (April 25, 1921):

It is not a hard matter to scramble an egg but it is a very hard matter to unscramble it. It is not a hard matter to retain the resources, but once you have retained them for fifteen to twenty years and adjusted every phase of public policy to the fact that there was retention, then it becomes a matter of very great complexity. . . .

You may get further by one way, and one way only, by presenting some concrete proposal in figures that will appeal to a fair-minded man as a square, bold, rough but honourable solution.

In one respect at least the results of both commissions may already be appropriated without unnecessary restraint. In the process of investigation on both sides, practically every category of Dominion Lands in Saskatchewan and Alberta was subjected to the most exacting scrutiny; and the statistics which emerged from the controversy may fairly be regarded as definitive. This evidence has been utilized wherever possible in the present survey: with results that will be sufficiently evident not only from the footnotes but from many of the illustrations and statistics cited in the text.

Whatever the outcome with regard to detail in Alberta and Saskatchewan, the transfer of the remaining resources to all three of the Prairie Provinces in 1930 and the settlement of the main structure of their "compensation for lands alienated" in terms of the schedule of subsidies common to all three, may be regarded as the end of an epoch. Confederation as originally contemplated in 1867 has now been substantially completed. In Canada as in the United States the passing of the pioneer—the settlement of the

<sup>46</sup> "We recommend that the Dominion pay to the Province of Alberta a sum of money which, when added to all the purely provincial benefits that Alberta has received or is yet to receive from the Dominion in respect of its resources will, in our judgment, balance the amount of net revenue which the province would probably have obtained from those portions of its resources alienated or otherwise disposed of by the Dominion during the course of its twenty-five year administration. The sum which we so recommend is \$5,000,000. We also recommend that this sum bear interest at the rate of five per cent. per annum from October 1, 1930, to March 31, 1935, and thereafter to such date and at such rate as the two Governments may agree upon. . . .

The sum of money involved in this recommendation has been determined as the result of compromise and agreement as to the amount—but not by agreement as to the method of calculation " *Report of the Royal Commission on the Natural Resources of Alberta*, p. 38.

The same award, *mutatis mutandis*, was made in the majority report for Saskatchewan (*Report*, p. 36), though Mr. Justice Bigelow's minority report (pp 45-68) found an equity of \$58,242,691 due to the Province.



last agricultural frontier—may be expected to bring far-reaching changes in national outlook, tempered by acute problems of appraisal and readjustment. The transition has been complicated by emergencies almost devastating in their intensity and duration: by drought and shifting markets, violent fluctuations in price structures, world depression, and the paralysis of international trade. It must be conceded that many of the basic problems of the Prairie Provinces have yet to be solved in permanent or substantial proportions.

## CHAPTER XIII

### FEDERAL POLICIES AND PROVINCIAL PROBLEMS

**M**EASURED by the vicissitudes through which the Dominion has passed since 1870 a retrospect of sixty years appears to be a long vista. "The purposes of the Dominion" have now been achieved in so far as public lands can contribute to their achievement. In the words of the Manitoba Commission, "the railways have been built and the lands settled". These problems at the beginning were so imperative that the whole cycle of Dominion Lands policy appears to lie within these boundaries. The problems which now confront the provinces are vastly different. Federal purposes are not provincial purposes neither are federal ways provincial ways for their achievement. Sixty years hence the end of the cycle of Dominion Lands may be as clearly marked as its beginning. Neither railways nor settlement, it seems safe to say, have settled into permanent patterns in the Western Canadian economy. The beginnings of the cycle are clear enough but the results are by no means easily predictable.

#### *1. Federal Alienations: Free Homesteads and Land Sales*

One fact at least has become clear since the day of the railway land grant and free homestead a generation ago. The Dominion has disposed of the best agricultural lands of Western Canada. The surveyed area of the three Prairie Provinces (Table XXIII), excluding water surface, was roughly estimated in 1928 at 195,178,467 acres.<sup>1</sup> Of this, the "area undisposed of" is listed at a little more than 23,100,000 acres—less than 12 per cent. In Manitoba the land area surveyed and "undisposed of" is 4,218,000 acres out of 32,875,913—a little over 12.8 per cent. In Alberta it is 15,417,000 out of 85,593,253 acres or 18 per cent. In Saskatchewan it is 3,532,000 out of 76,709,301 acres, or 4.6 per cent. In quality the margin is still narrower. This does not mean that land of the first quality is no longer available. Unbroken school lands, Hudson's

<sup>1</sup> *Man. Res. Comm.*: Though since revised in many details these statistics are here used for purposes of comparison. The figures for "Alberta" and "Saskatchewan" include of course the period from 1870 to 1905, before provincial organization.

Bay lands, railway lands, and other categories in private possession are all to be bought at reasonable prices; and the acreage of "improved" homestead lands that have passed out of production through the normal channels of sale and speculation, it would be almost impossible to compute. Much may yet be done to make this vast acreage conveniently accessible; but so far as governments in the first instance can direct land utilization by its administration of Crown lands, this function has now been practically completed by the Dominion (see Fig. 33). More than 88 per cent. of the surveyed area has passed from government administration except for grazing and timber leases, parks, school lands, and forest reserves. A homestead policy on the scale of the decade from 1902 is no longer possible without utilizing marginal areas beyond the range of sound economic agriculture. Readjustment or consolidation is still possible upon a large scale, and this may well become the chief function of provincial administration; but more than 88 per cent. of the surveyed land area of the Prairie Provinces has been "administered by the Government of Canada" past the stage where the government is any longer a prime factor in determining in the first instance its utilization or control.

Of lands permanently alienated under Dominion administration the area under free homesteads (including various types of military homesteads) formed by far the largest single category—more than 56,381,000 acres in the three provinces. In Manitoba some 8,311,000 acres had been homesteaded from 1870 to 1928; in "Saskatchewan", as territory and province, more than 29,003,000 acres; in "Alberta", as territory and province, nearly 19,067,000 acres. The next largest single category in each of the provinces was the acreage granted to the railway companies: 3,566,997 acres in Manitoba, 15,177,063 acres in "Saskatchewan" and 13,038,595 acres in "Alberta"<sup>2</sup>—a total of 31,782,655 acres all "fairly fit for settlement". Though "granted" to the C. P. R. and "colonization railways" during less than a decade and a half from 1881 to 1894, the actual "selection", as we have seen, was a much more protracted process, brought to a close only in 1908. School lands, one-eighteenth of the surveyed area, account for 9,342,700 acres, of which 3,980,397 have been sold. (See Tables XI-XIV, pp. 341ff.) Of this acreage, 637,585 acres lay in Manitoba, 2,109,777 in Saskatchewan, and 1,243,035 in Alberta, leaving unsold about 1,000,000 acres, 1,834,000 acres, and 2,517,000 acres respectively in the three provinces. Hudson's Bay

<sup>2</sup> For revised statistics of acreage patented see Table IV, pp. 302f.

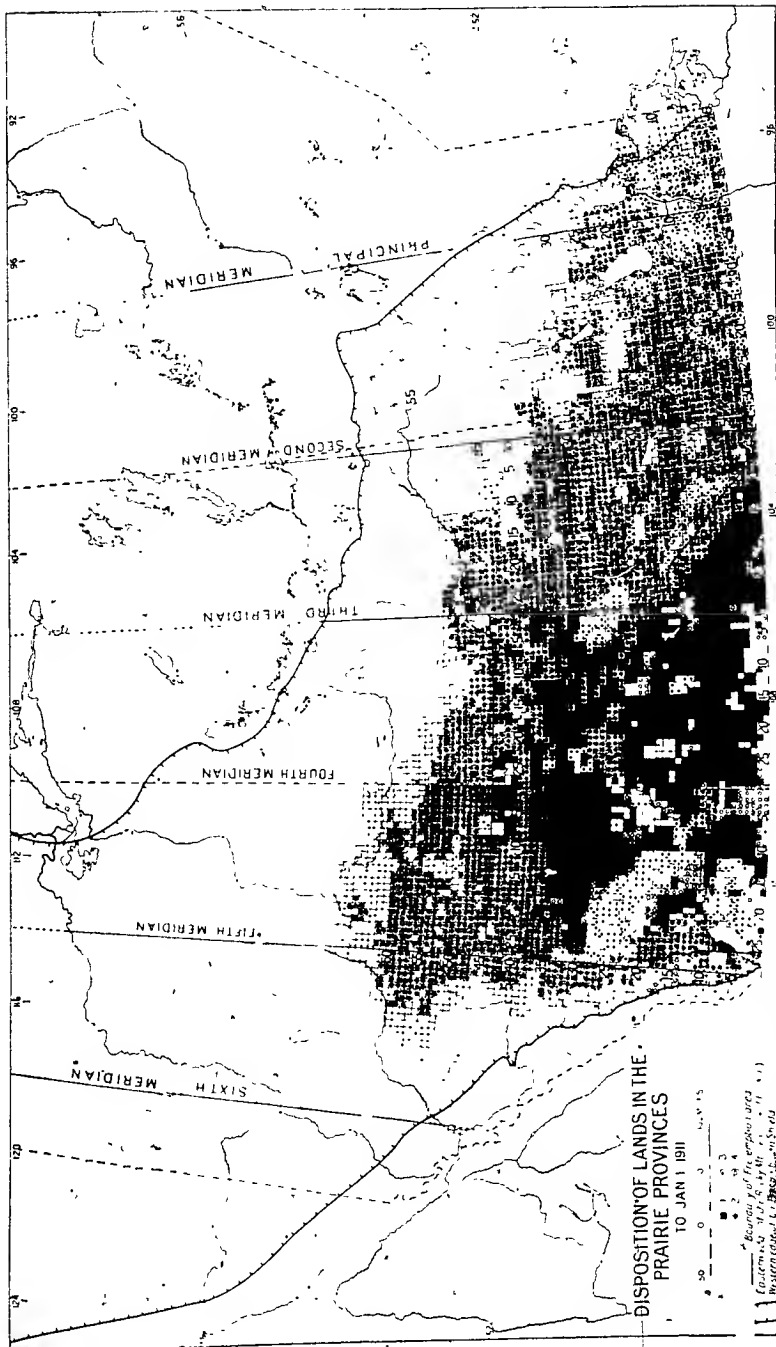


FIG. 33.—A map showing by townships the alienation of "Dominion Lands" up to January 1, 1911. Number 1, indicated by solid black (see inset) shows townships in which approximately half or less was taken up as pre-emptions or purchased homesteads after homestead entry. Number 2, indicated by the black disc, shows townships in which about half or more had been patented as homesteads up to January 1, 1911. Number 3, indicated by the black dot, shows townships in which about half or more had been disposed of in categories other than homesteads. Number 4, indicated by the circle in white, shows areas restricted to grazing leases.

## DOMINION LANDS POLICY

TABLE XXIII—SURVEYED AREAS IN MANITOBA, SASKATCHEWAN, AND ALBERTA, JANUARY, 1928\*

	MANITOBA (acres)	SASKATCHEWAN (acres)	ALBERTA (acres)	TOTAL (acres)
Area under homestead (including military homesteads).....	8,311,400	29,003,400	19,066,900	56,381,700
Area under pre-emptions (Dominion Lands Act, 1908).....	.....	3,566,000	2,071,000	5,637,000
Area under purchased homesteads (Dominion Lands Act, 1908).....	.....	726,500	306,200	1,032,700
Area under sales.....	2,060,000	1,557,000	755,000	4,372,000
Area of swamp lands disposed of by Manitoba...	848,000	.....	.....	848,000
Area granted to University of Manitoba.....	150,000	.....	.....	150,000
Area under scrip and grants to half-breeds.....	57,100	238,500	115,000	410,600
Area under Manitoba half-breed allotments .....	1,461,400	... ..	... ..	1,461,400
Area disposed of under miscellaneous headings†....	664,700	639,800	243,900	1,548,400
Area granted to railway companies.....	3,566,997	15,177,063	13,038,595	31,782,655
Area granted to Hudson's Bay Company.....	1,273,500	3,351,000	2,402,300	7,026,800
Area of school lands.....	1,637,800	3,944,400	3,760,500	9,342,700
Area sold subject to reclamation by drainage.....	89,762	57,600	39,400	186,762
Area sold for irrigation.....	.....	77,000	969,800	1,066,800
Area under timber berths (leased).....	1,453,500	607,300	2,131,100	4,191,900
Area under grazing leases..	62,400	3,232,200	2,953,100	6,247,700
Area of forest reserves and parks.....	2,488,500	6,239,000	17,072,100	25,799,600
Area reserved for forestry, park and pulpwood purposes.....	2,453,000	1,637,000	2,085,000	6,175,000
Area of road allowances .....	977,244	1,468,745	1,288,882	3,734,869
Area of parish and river lots .....	529,087	84,132	121,221	734,440
Area of Indian reserves...	484,517	1,166,114	1,406,292	3,056,922
Area of Indian reserves surrendered .....	89,006	404,549	329,964	823,519
Area of water-covered lands (inside surveyed tract)..	4,260,220	1,904,009	2,296,448	8,460,677
Area undisposed of (surveyed).....	4,218,000	3,532,000	15,417,000	23,167,000
TOTAL.....	37,136,133	78,613,310	87,889,701	203,639,144

\* *Man. Res. Comm.* Figures for "Alberta and Saskatchewan" include alienations before provincial organization in 1905. Though since revised in many details these statistics are used for purposes of comparison over the whole period of "Dominion Lands". A similar tabulation for January 1, 1929, is to be found in *Report of the Department of the Interior, 1930*, p. 26, where items 2-9 in the above list are grouped together. The earlier tabulation is retained for the added detail.

† This category contains minor items such as Pre-emptions granted prior to 1889, Mounted Police Grants, Special Grants, etc.

lands, one-twentieth of the fertile belt, come next in the list with 7,026,800 acres<sup>3</sup> of which some 4,950,000 acres, including cancellations and re-vestments, have now been sold. Pre-emptions and purchased homesteads under the Dominion Lands Act of 1908 account for 6,669,700 acres,<sup>4</sup> and the area alienated "under sales" was 4,372,000 acres: in Manitoba, 2,060,000 acres, 1,557,000 acres in Saskatchewan, and 755,000 acres in Alberta.

Despite the imposing acreage listed under homesteads it may come as a surprise to advocates of the free-homestead system in Western Canada that more land has been alienated by the Dominion by sale or for sale than by free homesteads. The area under free homesteads, military homesteads, and various forms of scrip and half-breed grants, was estimated in 1928 at 58,253,700 acres, while various categories alienated by sale or for sale—railway lands grants, school lands, Hudson's Bay lands, pre-emptions and purchased homesteads, direct sales by the government, swamp lands and university lands (in Manitoba), and irrigation lands—amounted in the aggregate to 61,258,655 acres.<sup>5</sup> Much of the acreage alienated "by sale or for sale", to be sure, is still "for sale" to the actual settler: this, at least, is true of railway lands, school lands, and Hudson's Bay lands. The proportion of agricultural lands in Western Canada administered under a "sales policy", nevertheless, is imposing against a background of the free-homestead tradition which has prevailed in both Canada and the United States since 1870; and it is confirmed by many curious details of actual settlement.

To begin with, the free-homestead system in Western Canada was scarcely more than half a system at best until the odd-numbered sections surviving from the railway land grant period were thrown open for homesteads in 1908. Up to that point the odd-numbered

<sup>3</sup> For revised statistics see above, p. 242. The final estimate of Hudson's Bay acreage after the settlement of December 23, 1924, was 6,639,059 acres.

<sup>4</sup> Estimated by the Provinces for the Alberta and Saskatchewan Commissions at 8,128,760 acres up to 1930. See Tables XVII and XVIII, pp 422 and 423. The Dominion estimate of net acreage patented was as follows: Pre-emptions, Alberta, 1,552,665, Saskatchewan, 3,475,282 acres. Purchased Homesteads, Alberta, 272,141; Saskatchewan, 671,298 acres. Total 5,971,386 acres patented. All cancellations omitted. *Alberta and Sask. Res. Comm.*

<sup>5</sup> Railway land grants.....	31,782,655 acres	Sales ... ..	4,372,000 acres
School lands . . . . .	9,342,700 "	Swamp lands . . . . .	848,000 "
Hudson's Bay lands . . . . .	7,026,800 "	University lands . . . . .	150,000 "
Pre-emptions . . . . .	5,637,000 "	Irrigation . . . . .	1,066,800 "
Purchased homesteads . . . . .	1,032,700 "		
		Total.. . . . .	61,258,655 "

sections throughout the whole range of Dominion Lands were withdrawn from homestead entry, even beyond the range of "railway reserves" set apart from time to time by Order-in-Council for "selection" by the railway companies. Unlike the acreage open to free-homestead entry, moreover, the railway grants finally selected were uniformly "fairly fit for settlement"; and the desperate scramble for reserves which marked the close of the railway land grant period indicated how fast the best agricultural lands were already being depleted. School lands (sections 11 and 29), which like the railway lands were odd-numbered sections, added no further limitation to the range of the free homestead; but the Hudson's Bay reserves in sections 8 and 26 in each township reduced the area open to homestead entry in each township "fairly fit for settlement" to 80 or 81 quarter sections out of 144, or scarcely more than four-ninths of the whole (see Figure 8).

Up to 1902, as we have seen, Sir Clifford Sifton estimated that "fully one-half of the settlers that are actually located on the land in the West are located on purchased lands and have not taken up homestead at all." As late as 1908 railway land grants alone, in the opinion of the Hon. Frank Oliver, were "just about the same amount as, up to the present, have been opened up as homesteads."<sup>6</sup> Even after the free homestead had fairly become the staple of land policy, land sales in imposing proportions from school lands, Hudson's Bay lands, railway lands and the ubiquitous land company, increased *pari passu* with the free homestead. It has been assumed that the constant ratio between population and free homesteads (see Figure 25) proved that the one was due to the other. But this was only half the story; for since land sales, as we shall see, reached unprecedented proportions during the same period, and since the ratio of free homesteads to population is relatively constant, so also must be that of the other ingredient; and the rapidity of settlement must be attributed to both. By 1926 the free homestead of 160 acres had long ceased to be the staple farm in Western Canada. The average holding in Saskatchewan in that year was 389 acres: even where the free homestead formed the nucleus, it is obvious that 229 acres out of 389—nearly 59 per cent. of the average holding—must have been acquired in some other way. The sale of "improved" homesteads undoubtedly contributed to this phenomenal growth of larger holdings, but the fact remains, as it seems, that a larger acreage of present holdings in Western Canada has been acquired

<sup>6</sup> *Debates of the House of Commons, Canada, 1902, vol. II, p. 2981, 1908, vol. VI, p. 11126.*

by purchase or some cognate process than by free grants from the government.<sup>7</sup>

## 2. *Land Sales versus Free Grants*

With so wide a range of land sales during the period of maximum development in Western Canada, a plausible if somewhat specious case could be made for a sales policy on the part of the government. Even swamp lands, "the culls of the survey", after paying costs of selection, administration, drainage, and sale, yielded an average of \$3.76 per acre to the Province of Manitoba—an amount half as large again in the aggregate (\$2,769,856.40) for the period of swamp lands sales (1895 to 1912) as that received from the Dominion (\$1,800,000) as "subsidy in lieu of lands" for the whole province. The C. P. R. lands, administered advisedly not for revenue but for rapid settlement and expanding traffic for the railway, brought a gross average price (excluding irrigation lands) of \$7.63 per acre. Hudson's Bay lands which represented the "mine run" of the fertile belt sold (gross average price) at \$12.10 per acre. University lands brought \$10.07 per acre.<sup>8</sup> The Calgary and Edmonton railway land grant, much of it grazing land, sold for an average of about \$6 per acre. Great North-West Central lands sold for \$8.50 per acre. Qu'Appelle, Long Lake and Saskatchewan lands, excluding the block of 850,000 acres sold to the Saskatchewan Valley Land Company, averaged more than \$10 per acre. Canadian Northern land sales (gross) averaged more than \$10.45 per acre. During the decade and a half from 1915 to 1930 in Saskatchewan even the C.P.R. sold its "main line" grant at an average price of \$13.71 per acre, while the Souris Branch grant brought \$14.79. The Manitoba and Southwestern and the Great North-West Central (both C.P.R. subsidiaries) brought \$10.42 and \$15.32 respectively per acre during the same period in Saskatchewan, while the Canadian Northern land sales there averaged \$16.06. The average price obtained for Manitoba school lands (net) was \$9.60 per acre; for Alberta school lands (net) \$14.21 per acre; for Saskatchewan school lands (net) \$15.64. Everybody, it seems, could sell land to advantage but the government.

It is fair to remember, moreover, that lands sold for actual settlement came not only from these recognized sources but from a multitude of land companies and private speculators. The total acreage

<sup>7</sup> In Alberta some 44,388 farms out of 77,130—more than 57.5 per cent.—were over 200 acres. In Saskatchewan the percentage was a little more than 70 (Table XIX, p. 424).

<sup>8</sup> *Man. Res. Comm.*



of land sales during the last thirty years of Dominion administration it would be impossible of course to estimate. For the same reason the true ratio between "free" land and "bought" land in the actual holdings of 1926 (say) may not be open to calculation. But it may be possible at least to illustrate the relative rise and fall of both in the settlement of Western Canada. The homestead entries in Figure 34 (p. 520) indicate the fluctuations in the free-homestead system from 1905 to 1923. For land sales, the gross sales by the C.P.R., the Manitoba and Southwestern, the Hudson's Bay Company, the Qu'Appelle, Long Lake and Saskatchewan Railway, the Calgary and Edmonton, the Canadian Northern system, the Great North-West Central, and of course the acreage of school lands sold in the three provinces, have been added year by year, to form a fair cross-section during the same period.

Whatever the ratio between free homestead entries and land sales in the aggregate, both seem to respond to the same conditions in much the same way until the outbreak of the world war. Both reach a peak in 1906 and again from 1910 to 1912. Both decline rapidly from 1912 until 1915. The free-homestead entries continue to decline, as would be expected, during the war years. By 1919 the day of the free homestead is over. Land sales, on the other hand, bound up during the years of the war under the stimulus of war prices for wheat. Falling steadily from 1920 (1,126,008 acres) to 1923 (124,539 acres), land sales increase to 458,721 acres in 1926, 1,154,252 acres in 1927 and over 1,430,000 acres in 1928. For both homestead entries and land sales, land policy though relatively constant throughout failed to stabilize alienations, while both free grants and land sales react violently to the more fundamental economic and physiographical controls of land settlement. Under favourable conditions, it would seem, land can be sold almost as readily as it can be given away.

Had the public lands of the Prairie Provinces been administered by the provinces for purposes of revenue instead of "by the Government of Canada for the purposes of the Dominion", could the vast proceeds that accrued to the railways, land companies, and other agencies have found their way into provincial treasuries? Whatever the vogue of the free-homestead system, it was conceded by all three Resources Commission, that administration for revenue would have been inevitable under provincial control. Gross land sales recorded for the categories grouped above have amounted in the aggregate to

more than \$379,000,000.<sup>9</sup> What would have been the fiscal results of a general "sales" policy by the Prairie Provinces? What, on the other hand, would have been the effect upon land settlement?— Could either policy alone have succeeded as well for Western Canada as the integration of both in fairly equal proportions?

In the answer to the last question perhaps lies the key to the controversy between land sales and free grants as staples of Western Canadian land policy. For rapid and permanent settlement it is possible that the combination of the two techniques had advantages that neither alone could have supplied; and it is altogether probable that either policy alone would have had results little short of disastrous for semi-arid regions where summer-fallowing and larger holdings were indispensable.

Had the whole range of Dominion Lands been open from the beginning to homestead entry it is probable that in Canada as in many of the western states the better lands would have been settled at once in contiguous quarter sections with no latitude for expansion. Under a general "sales" policy also similar tendencies might have developed: with this difference, that larger holdings might have been possible from the beginning. The even distribution of free homesteads and lands for sale, contiguous at some point to every homestead, afforded room for uniform expansion, and formed the greatest single advantage, perhaps, of the Canadian system. The formula which did such service during the decade of most rapid and prosperous settlement was derived directly from this arrangement: a quarter section as free homestead *plus* another quarter at \$12 per acre equals 320 acres at \$6 per acre, the price of less than 50 acres in Missouri. The fact that this combination in its origin was largely inadvertent was lost sight of in the consensus with regard to its advantages. A witness who had helped to locate 3,000 homesteaders by "team and democrat" stated before the Saskatchewan Resources Commission that "about 90 per cent. of the Americans that came in", and perhaps half of the Canadians, had taken advantage of the hybrid combination of the free-homestead and land-sales systems by buying land. There is much to be said for the compromise which came to pass between the two.

<sup>9</sup> Railways and Hudson's Bay . . . . .	\$275,518,485
School lands . . . . .	73,692,851
Pre-emptions and purchased homesteads. . . . .	30,018,840

Total . . . . . \$379,230,176

These, of course, are gross sales without cancellations and revestments.

But in truth the government had a very limited range of choice; and the specious case for a sales policy after the philosophy of Gibbon Wakefield is little better than an academic abstraction in the background of the early seventies. The real answer to an apocryphal case for a policy of land sales is to be found not only in Canadian physiography with its limitations for semi-arid agriculture but in the proximity of the United States. Neither the railway land grant system nor the free-homestead system could be divorced from its North American environment; and no fair recapitulation of Dominion Lands policy can be divorced from the historical context in which it originated.

### *3. The Railway Land Grant System*

Next to the transfer of Rupert's Land and the North-Western Territory itself in 1870, a transcontinental railway on Canadian soil was everywhere recognized as the most imperative necessity before the new Dominion. The one project was the corollary of the other. Six months before the transfer, the challenge of the Northern Pacific and the march of "manifest destiny" in the United States brought from Macdonald his pledge of "immediate and vigorous steps to counteract them. One of the first things is to show unmistakably our resolve to build the Pacific Railway."

It is probable that no government after 1900 would have attacked the building of a transcontinental by means of the railway land grant system; but if there was any other resource for the building of the road during the first decade and a half after Confederation it has yet to be demonstrated. Cartier and Macdonald both took it for granted at the Manitoba Act. The federal administration of public lands was indispensable, for the railway was to be "built by means of the land through which it had to pass." With the completion of the Union Pacific in 1869 and Jáy Cooke's spectacular foray into the Northern Pacific in the early seventies the national emergency was paramount. Had purely economic interests prevailed Waddington's project for linking the West to the Grand Trunk system by running rights over the Northern Pacific might well have met the requirements of Western Canada for a whole generation; but the risks were too formidable for the national temper of that day. To keep the railway on Canadian soil the first project for the C.P.R. in 1872 was to have been endowed with a land grant of 50,000,000 acres—a principality larger than the Maritime Provinces. Land subsidies still larger

were contemplated by the Mackenzie government after "the Pacific scandal"; and the Conservative government after their return to power in 1878 resumed the project by approving a grant of "one hundred million acres of land, and all the minerals they contain . . . for the purpose of constructing the Canadian Pacific Railway." The final grant of 25,000,000 acres to the C.P.R. in 1881 passed, in both east and west, as a national necessity. The most resolute opponent of "monopoly" and "land-lock" in later years, was prepared to concede that to "get the railway and keep our public land" was "impracticable" in 1873. "Beyond a doubt the only practicable mode of building the Pacific Railway", added the *Manitoba Free Press* in 1880, "is from the proceeds of the Crown lands."

It would be easy to criticize in the abstract a technique to which there seemed no feasible alternative in 1873 and 1881. It would be easy also to reconstruct apocryphally a combination of policies designed to preserve the virtues of the railway land grant system without perpetuating its most glaring defects. Government construction and ownership of the railway; a policy of land sales for the odd-numbered sections like that actually projected in the regulations of July 9, 1879 (see Chapter III, p. 266) before private interests could be induced to undertake so hazardous an enterprise; a general policy, beyond the railway belt, of sales and free homesteads like that which underlay the pre-emption and purchased homestead policy of 1908; these and many other counsels of wisdom are easily reconstructed after the event by ignoring the desperate fiscal problems and prevailing temper of that day. The most glaring defects of the railway land grant system could be listed with equal assurance. Approximately half the best agricultural lands of Western Canada, all "fairly fit for settlement", was a prodigious price to pay for transportation. The Canadian system of "indemnity selection" opened the flood-gates to exploitation by land grant railways so far in advance of settlement that the terms of the land grants could be liquidated only in 1908. "Land-lock" and "monopoly" became chronic grievances for a whole generation; and the "colonization railways", devised as an antidote, merely confirmed them both. The ruthless scramble for eligible reserves bedevilled policies and politics. Land companies, in the wake of the railway land grants, carried on these tendencies into the realm of speculation until recurring "booms" and depressions distorted the growth of systematic settlement, and left a vast legacy of unproductive acreage to complicate the reconstruction which is indispensable if Western Canada is

ever to settle down into a stable economy. All these and many other defects could be charged apocryphally against a system which the whole Dominion took for granted sixty years ago.

Measured by ultimate results, however, virtues and defects are not so clearly distinguishable. By a curious turn of events time has transformed some of the gravest initial defects into ultimate advantages. The method of "indemnity selection" which was long regarded as "prodigal and extravagant" has had the effect of reserving, section by section, the acreage necessary for the most approved technique in semi-arid agriculture. Throughout the whole range of the best agricultural lands in Western Canada, free homesteads and railway lands were to be found in contiguous quarter sections, and the successful homesteader could rely upon the prospect of purchasing a second quarter section at rates sometimes substantially below the average market price for his district. In that sense the maligned "land-lock" of the eighties was a blessing in disguise. Without it the contiguous free-homestead settlement to be found west of the 100th meridian in the United States might have produced a "land-lock" of another sort: a barrier to expansion except at the expense of the neighbouring homestead. Precarious as the free homestead has proved to be in vast areas of Western Canada, the casualties might have been greater still, and no improvement in agricultural technique could have repaired the defect. Without the maligned "land-lock" the technique of dry farming might have been strangled in its infancy.

The railway land grant may be credited with a second virtue in Canada. Upon the necessity of providing for larger holdings Sifton and Oliver were agreed; and the prospect of adding a quarter section or more of railway lands to a free homestead was "a great inducement" to settlers with capital and experience in dry farming. Railway land grants supplied the largest proportion of cheap and easily accessible land to be found under one category on either side of the boundary:

The fact that a 320 acre farm could be acquired at a reasonable price by locating a homestead on an even-numbered section and purchasing from the railway company on the odd-numbered section, we believe has been a very great incentive to the settlement of our country by the best class of people, that is, people with means and ability to carry on farming operations on a considerable scale.

So well recognized was this feature of Canadian policy by 1908 that the attempt was made to perpetuate it, as we have seen, in the pre-emption and purchased homestead regulations of that year:

By putting . . . the odd and even numbered sections in one class and offering an adjoining quarter-section at a fair price and on settlement conditions to the homesteader who takes a free homestead we . . . hope to be able to keep up that stream of desirable immigration that has added so greatly to the wealth and prosperity of our country during the past few years. This, I might say, is the important feature of the bill.

A third claim may perhaps be allowed for railway land grants in the practical technique of settlement. If they attracted some of the most prosperous settlers—"the best class of people, that is, people with means and ability to carry on farming operations on a considerable scale"—the ratio of cancellations and revestments would seem to show a remarkable record also for permanency. It would be unsafe to claim too much from the phenomenally low rate of cancellations in the sale of railway land grants. Much of this acreage was sold to settlers already permanently established or requiring only the quarter sections of railway lands to make them so; and both the C.P.R. and the Province of Manitoba in administering the "security lands" of the old Manitoba and North-Western made a practice of selling lands rapidly and reasonably, and of enforcing the personal covenant only in exceptional cases so long as the settler stood by his purchase.<sup>10</sup> Measured nevertheless by the truly appalling ratio of cancelled homestead entries—over 40 per cent. for the whole period of Dominion Lands and 57 per cent. for Saskatchewan from 1911 to 1931—the rate of cancellations for C. P. R. lands was remarkably low. The estimate reached by Dominion counsel before the Saskatchewan Resources Commission was 22 per cent. in acreage and 33½% per cent. in price. It is reasonable to suppose also that the purchaser of railway lands scrutinized his purchase more narrowly than the homesteader was apt to scrutinize his homestead, and in periods of depression the railway could be relied upon to exert an encouraging and stabilizing influence. The C. P. R. amortization scheme of 1923, spread over a thirty-four year period, was applied not only to unsold acreage "with a view to their becoming more rapidly colonized", but to payments outstanding on first sales. For the C.P.R. in particular the permanency and prosperity of the settler was so paramount, in the interests of traffic if nothing else, that their land policy may challenge comparison with any other category of land settlement. "I know of no organization in any country", stated the president of the Company after the amortization plan of 1923, "which gives such terms to settlers." C. P. R.

<sup>10</sup> About 465,000 acres of the Manitoba and North-Western lands were sold for less than \$2,250,000.

land policy, exclaimed a veteran of the Company before the Saskatchewan Resources Commission, was "the building up for an empire in the West." "We built Western Canada."

How far the interests of permanent and prosperous settlement entered into the land policy of the "colonization railways" is not so easily traceable from the checkered history of those companies (see Chapter IV, and Chapter V, section 4). For many of them, as we have seen, the land grant was a resource to be exploited by methods neither better nor worse than those of the average land company. But despite features that were indefensible there were at times inadvertent virtues which the government itself could not or would not rival in the technique of settlement. Several of the land companies to which the "colonization railways" frequently consigned their land grants for expert administration must be credited with exploits of colonization so resourceful and enterprising that they may be said to have set the vogue in successful land settlement for their day. Two or three of the "colonization railways" made a direct contribution to the economy of their district which went far to redeem the good name of the whole system.

The Manitoba and Southwestern in applying their land grants directly to the building and financing of their railways had at least the virtue of disposing of their lands as rapidly as possible: so rapidly that some 900,000 acres devolved upon the Province of Manitoba as "security lands" under the Railway Aid Act until the line became a subsidiary of the C.P.R. and redeemed its land grant by rapid sales under the Land Commissioner of that company. The Manitoba and North-Western, following the same procedure, issued land warrants for more than 540,000 acres which the province located and disposed of at equally reasonable prices. About 250,000 acres of the Winnipeg and Hudson's Bay land grant devolved also upon the province until they were brought back, as we have seen, by Mackenzie and Mann for \$400,000, and administered to swell the thrifty land sales of the Canadian Northern. Of the "security lands" administered by the Province of Manitoba scarcely more than 40 per cent. found their way directly to the settler; 60 per cent. were disposed of to the speculator or the land company whose functions nevertheless were vindicated by the Deputy Minister of that day. They employed expedients which the government could never rival for the rapid transfer of the land to actual settlers.

The Calgary and Edmonton, and the Qu'Appelle, Long Lake and Saskatchewan land grants, administered by subsidiary land com-

panies, were scarcely distinguishable from the vast acreage acquired and administered by innumerable other land agencies in the development of Western Canada. The success of the Calgary and Edmonton Land Company in consolidating their land grants for the development of ranching in Alberta, and the fabulous exploits of the Saskatchewan Valley Land Company were distinctive features of frontier enterprise. Clifford Sifton once referred to the Saskatchewan Valley Land Company as "the beginning of the success of our immigration work . . . the first indication that we had actually succeeded in attracting the attention" of men and capital in the United States. "I make the statement advisedly", he added, "the coming in of this company was the beginning of the great success of the immigration work in the west." "I can recall no feature of our colonization policy in the Northwest which has been attended with greater success."

The land grants of the Canadian Northern subsidiaries were administered largely through the kindred technique of the Saskatchewan Valley and Manitoba Land Company—a vogue followed even by the C.P.R. for much of its land grant under the North-West Colonization Company after 1902. The solid achievements of these resourceful land companies were not to be disparaged, as Sifton once sardonically remarked, simply because they had made a little money for themselves. The Alberta Railway and Irrigation Company served a remarkable variety of Western Canadian needs and resources, from coal, timber, and transportation, to ranching and irrigation, and the immigration of settlers familiar with both these processes from the United States. Many of the normal expedients used by the land companies subsidiary to the "colonization railways" the government would not and probably could not have employed. Much of the political turmoil of those days was probably indefensible; and the acquisitive temper of the land grant railways ministered in many devious ways to the confusion. The results nevertheless were vital and far-reaching in the settlement of Western Canada. By this discredited system a vast domain of railway land grants nearly as large as the Maritime Provinces passed from government administration into private enterprise and found its way through scores of intermediate agencies towards the ultimate stages of land settlement.

#### *4. School Lands*

The administration of school lands, like their function as an "endowment for purposes of education", was distinctive and unique.



The general policy with regard to them has been simple and direct. Less perhaps than any other category of Dominion Lands was it integrated with other policies or dependent upon the varying exigencies of the day. The one thing it was intended to do was done with conspicuous success. It produced the highest revenues, it was administered at the lowest cost, its function was the most admirable, and the technique of sale and investment the most nearly uniform to be found in the whole range of Dominion Lands policy.

An experiment so consistent and detached has peculiar interest as a type of land policy. School lands were administered for purposes of revenue. The revenue was derived chiefly from land sales, at public auction. These sales were adjusted with rare judgement to good harvests and world markets, and the proceeds were "invested in Dominion securities" yielding a stable and conservative income "towards the support of public schools . . . in such manner as may be deemed most expedient" by the provinces themselves. Administered for provincial purposes in the midst of Dominion Lands "administered for the purposes of Canada", school lands afford some demonstration of the potential fiscal value of western lands under a policy of land sales for purposes of revenue. "The amount of this net income", reads the Report of the Natural Resources Commission for Manitoba, "derived as it is from the administration of only one-eighteenth of the surveyed area of the Province, furnishes a good example of the value of the Crown lands in this area."

Though derived, like so many other features of land policy, from the United States, the school lands policy of the Dominion owed much of its success to the costly experience south of the boundary. Variable legislation and faulty methods of sale and investment under state administration levied a heavy toll in many of the public land states. In the old Province of Canada also the proceeds from school lands had been largely dissipated by excessive costs of administration (20 per cent.) and by the deflection of nearly a quarter of the revenues to "local improvements". By the time of the first Dominion Lands Act of 1872 a vast range of experience was already on record; and the cardinal principles of federal administration, sale by public auction at intervals judiciously adjusted to rising prices, and uniformly safe investment of the school fund under federal auspices, proved to be permanent features of Dominion policy.

That policy (outlined in detail in Chapter VI) it will be unnecessary to review here except in its relation to other categories of Dominion Lands; for despite the detachment from general lands

policy there were mutual influences both good and bad in the relations between them. The reservation of sections 11 and 29 in every township (corresponding to sections 8 and 26 for the Hudson's Bay reserves) ensured the maximum of accessibility (see Fig. 8) for prospective purchasers. The technique of sale by auction, upset price by the Department of the Interior, hay permits, grazing leases, and other aspects of school lands administration became familiar features of every township. Compromises were made with the provinces to meet the straits of a frontier community. Rentals, interest on deferred payments, and other casual revenues were paid over annually with the interest on the "fund" instead of being added to the "fund" itself. More than once the provinces found allies in the House of Commons for an advance of capital from the fund for permanent expenditures on education, but the Senate held inflexibly to "original principles", and those principles remain permanently underwritten by the provinces themselves in the final settlement of 1930.

In some respects at least general policy influenced and perhaps impaired the administration of the trust. Departmental leniency with regard to deferred payments, interest, and in many instances voluntary cancellations, was directed to the general interests of settlement rather than to the immediate purposes of the trust—revenues for indigent provinces for purposes of education. There was no regular "follow-up" system for collections; no effective system of inspection, and no attempt to develop the "crop-share" technique generally employed by private agencies. On the 21 per cent. of gross sales of school lands cancelled in Alberta from 1905 to 1930, only 3.4 per cent. of the principal was ever collected after the first payment, and only about 12.7 per cent. of the interest on deferred payments. Reduced to a rental basis the total payments of both principal and interest on cancelled sales amounted to 31 cents per acre per annum over a period of  $9\frac{1}{2}$  years of occupancy. In an area of 190,000 acres of Dominion sales subsequently cancelled by the Province after the transfer, fewer than one-fiftieth of the purchasers had paid the second instalment, and only about two-fifths of one per cent. of the principal had been collected after the initial payment prescribed by the regulations.

On the other hand, the integration of school lands with general Dominion policy had its virtues as well as its defects. In Manitoba where "boom" prices and other vicissitudes of world conditions had less effect upon early land sales, the cancellations were less than two

per cent. of gross sales. The cost of administration for school lands, incidental as it was to the administration of Dominion Lands in general, was kept phenomenally low. In Manitoba they were less than 2.99 per cent. of gross proceeds, in Alberta less than 2.74 per cent., and in Saskatchewan a little over 2.16 per cent. For the whole period of Dominion Lands less than 2.5 of gross proceeds from school lands have gone to costs of management. Compared with C.P.R. lands and Hudson's Bay lands where the costs of administration were admittedly high, or even with Manitoba swamp lands or the Canadian Northern lands where costs of management were exceptionally low—about 12 per cent. and 9 per cent. of gross sales respectively—the school lands of the Prairie Provinces have been administered so cheaply that cost of management scarcely impaired the proceeds of the trust. In a very literal sense it impaired the school lands fund not at all, for costs of administration were deducted annually not from the capital proceeds from land sales but from the interest on the "fund", rentals, hay permits, and other casual revenues accruing annually to the provinces.

Much of the success of school lands policy was due perhaps to exceptional factors in its administration. The timing of the sales, usually in consultation with provincial authorities to produce the maximum proceeds for the fund; the exceptionally low incidental cost of administration; the technique of sale by auction; the maximum of accessibility to school lands, in sections 11 and 29, for settlers already well established in the township; these were features which no provincial government could hope to reproduce for all categories of public lands under a general sales policy. The purchasers of school lands as a rule were homesteaders or settlers who had bought their holdings from the railways or the Hudson's Bay Company, and were prepared to speculate upon the margin of world prices for the next harvest. More than 77.5 per cent. of sales were made during the "boom" periods of 1910-1913, 1917-1919, and 1928-1930. It is fair, however, to add that other selling agencies realized prices quite as exceptional during the same "boom" periods. While the gross average price for school lands was \$9.79 in Manitoba, \$16.85 in Saskatchewan, and \$14.40 in Alberta, that for C.P.R. lands in Saskatchewan for the period 1916-1930 averaged \$13.71 from main line land grants, \$14.79 from the Souris Branch land grants, and \$15.92 from the land grants of its subsidiary the Great North-West Central. The Canadian Northern land grants for the same period averaged no less than \$16.06. Enough has been cited,

at any rate, to demonstrate the fiscal value of western lands had the provinces been free to administer them for purposes of revenue without regard to railways or other vested interests. Nowhere else in North America, perhaps, during this period, was it possible to sell land so easily and so uniformly, to bring it into cultivation so quickly, and to take advantage so promptly of world conditions.

It would be idle to reconstruct such a hypothetical sales policy in detail; and it would be impossible, of course, to compute with any degree of accuracy the fiscal results for the provinces. By common consent the free-homestead policy would have been continued for some time in Alberta and Saskatchewan after 1905. But had the even-numbered sections been sold at low uniform prices as in the United States (\$1.25 per acre before the Homestead Act); had the odd-numbered sections been reserved, not for railways (as they were uniformly reserved on Dominion Lands up to 1908) but for Crown reserves, for sale at the market value, using the school lands technique of public auction at upset prices; it would be easy for a sanguine exponent of the Gibbon Wakefield school to envisage a general sales policy of lucrative proportions. The limited categories of land cited above (pp. 502f.) were sold for about \$379,000,000 in gross sales. If to this were added the proceeds of land companies, private speculators, "improved homesteads", and innumerable other agencies of private enterprise, it will be conceded that a prodigious sum has been paid, directly or indirectly, for farm lands in Western Canada. It would defy the wit of man to devise a method of engrossing all these proceeds for the government; but in such a context the terms which attended the settlement of the Natural Resources Question seem moderate and reasonable. The public lands of the Prairie Provinces could have been made a fiscal resource of the first importance. Even in combination with the free-homestead system these have been sold for gross prices which dwarf the "compensation fund" of \$37,500,000 for each province improvised in 1905 as the basis of the subsidies in lieu of lands under federal administration. It is fair also to remember that these fiscal resources were administered "by the Government of Canada" to the point where they are practically dissipated as initial sources of revenue to the provinces. The schedule of interest payments improvised in 1905—one per cent. of the "compensation fund" up to 250,000 of population, one and one-half per cent. up to 400,000 of population, two per cent. up to 800,000 of population, and three per cent. thereafter—has now been underwritten by the settlement of 1930 for all three

provinces. Measured by the range of these resources, their exceptional fiscal value, and the ease with which they have been exploited by scores of selling agencies to their own advantage, this schedule would seem to provide a moderate "compensation" for resources withheld, for national reasons of high public policy, from the normal functions of public lands in other provinces of the Dominion.

However imperative the national "purposes of the Dominion" may have been in other respects in the administration of Dominion Lands, the function of school lands stands out as a statesmanlike policy on its own merits. The school fund transferred to Saskatchewan, Alberta, and Manitoba in 1930 amounted to more than \$33,350,000. This was a capital sum derived from the sale of less than half the school lands within the surveyed areas of the Prairie Provinces—less than one-thirty-sixth of the surveyed area of Dominion Lands. In addition to the school lands fund, the interest on the fund from year to year, together with the current interest on deferred payments, rentals from leases, hay permits, and other revenues, have provided annual proceeds almost as substantial in the aggregate as the amount of the school fund itself. In Saskatchewan more than \$16,350,000 have thus been paid to the province in cash from 1905 to 1930—nearly half the provincial grants to public schools (\$33,400,000) during that period. In Alberta current revenues from school lands and the school lands fund from 1905 to 1930 amounted to about \$10,500,000, more than half the grants to public schools (about \$19,600,000) during the same period. Even in Manitoba from 1905 to 1930 the total revenues from school lands amounted to about \$6,500,000. For the whole period of Dominion Lands from 1870 to 1930 more than \$34,000,000 in current revenues from school lands and the school lands fund have been paid in cash. The total net proceeds of current revenues and capital paid or funded in cash or the equivalent up to 1930 reached the sum of \$67,550,000; and if to this be added the outstanding agreements of sale transferred to the provinces in 1930, together with the school lands still unalienated, the aggregate becomes a truly imposing monument to this "endowment for purposes of education" in the Prairie Provinces. After sixty years of Dominion Lands, the basic principles of school lands administration still remain, under provincial as under federal administration, "sacred and inviolate."

##### *5. The Free-Homestead System*

The free homestead, like the railway land grant, was the product

of its North American environment; a recapitulation of its function could scarcely be attempted apart from its historical context and integration with other aspects of Dominion Lands policy. Whatever may be said for a policy of land sales during the decade and a half of maximum immigration into Western Canada at the beginning of the twentieth century, a general sales policy for Dominion Lands was scarcely feasible during the nineteenth century while the Homestead Act of the United States was still at the height of its vogue and popularity. But though the free homestead appeared almost simultaneously on both sides of the boundary, there were historic differences in both origin and function. In Canada it was inseparably integrated with other factors. In that form it was perhaps the least controversial feature of its day in Dominion Lands policy. It has survived to become in many respects the most baffling of all to appraise upon its merits.

On both sides of the boundary its adoption was dictated by ulterior national purposes. In the United States the revolt against the orthodox Hamiltonian doctrine of the public domain was well under way when the basic conflict between north and south cut athwart the issue and completely reversed the traditional alliances of the frontier. The agricultural south which had been supporting Benton's "log cabin bills" for "pre-emption" or "graduation" since 1824 now discovered that the industrial north could outbid them for the control of the public domain. Instead of "cheap land", the abolitionist was prepared to offer "free land" in the West in order to ensure "free" states against the "slave" south. Out of this rivalry came the Homestead Act of 1862, after the traditional friends of the frontier had withdrawn altogether from the Union; and "once adopted", as Donaldson observes, "no person could estimate its moral, social, and political effects."

In Canada national purposes were equally dominant. In New Brunswick and Nova Scotia there were free-homestead laws upon the statute books, but local rivalries with lumbering and other interests still complicated the cause of agricultural settlement. In the old province of Canada the issue of cheap or free land was already a Clear Grit doctrine against the vested interests of the big land companies in order to stay the exodus to the prairies of the middle western states. With the transfer of Rupert's Land to the Dominion in 1870, however, the free homestead became a new creature. An empire of Dominion Lands had to be made good against the most spectacular technique of rapid settlement in

modern history. Whatever lurking opposition might still remain to the free homestead in the old provinces, not a trace is to be found in the federal field. Unlike the United States where the federal government was the last to be convinced—President Buchanan's own veto was the last barrier to the Homestead Act—the new Dominion made the free homestead a fundamental feature of its land policy. It was one of the "purposes of the Dominion" in 1870 in retaining the public lands under federal control. It remained a cardinal federal policy in 1885, in 1905, and in 1916; and when the system had run its course the return of the remaining resources to provincial control became for the first time feasible. If the free-homestead system was designed in the United States to "save the Union" in 1862, it was also designed in Canada after 1864 to safeguard the "national necessity" of westward expansion and to make good a transcontinental Dominion against the march of "manifest destiny" south of the border.

For a time the free homestead was subordinated to a still more imperative necessity. Rapid settlement was not less important than a transcontinental railway, but the one was impossible without the other. Under the necessity of building the railway "by means of the land through which it had to pass", the government was prepared to suspend existing regulations within a belt of 36 miles to be "sanctioned for the Inter-Oceanic Railway", and to "terminate after the same day the free homestead system". In the first C.P.R. bill in 1872 the free homestead was altogether supplanted in a belt of 40 miles—20 miles on either side of the railway. As late as July 9, 1879, the central zone (Belt A) of 10 miles was to be withdrawn altogether from homestead entry, and it was not until the regulations of October, 1879, forecasting the C.P.R. syndicate, that the free homestead reappeared for the even-numbered sections within the new central railway belt (Class A) of 48 miles reserved for the building of the C.P.R.

This integration between free homestead and railway land grant was to become, as we have seen, the most distinctive feature of Dominion Lands policy. By an arrangement peculiar to the Dominion, railway land grants were to be "fairly fit for settlement", and the range of "indemnity selection" thus permitted to the C. P. R. and the "colonization railways" up to 1908 necessitated the reservation by Order-in-Council of the odd-numbered sections throughout the whole range of Dominion Lands as railway reserves for the selection of land grants "earned" or to be earned by the rail-

ways. But side by side with the odd-numbered sections of railway lands went the even-numbered sections of the free-homestead system.<sup>11</sup> The C. P. R. itself avowed from the outset a policy of "settling the land as fast as we could"—of planting a "free settler upon every acre belonging to the Government." "The free homestead policy was the foundation on which we worked." Employing the free homestead to initiate and to speed up pioneer settlement, the railway wisely reinforced Dominion policy by subordinating their own revenues from land sales to the more urgent need of traffic. Their own lands were rapidly settled at prices substantially lower in many instances than their market value.

From this working alliance between the railway land grant and the free-homestead systems many of the most distinctive virtues and a few of the most glaring defects of Canadian policy are indirectly traceable. Since neither a general sales policy nor a general free-homestead policy was feasible for Dominion Lands in 1881, the working compromise between them must be examined in this larger context.

(a) *Dominion Lands policy was obviously not a simple and uniform system of free homesteads.* Under the range of "indemnity selection" accorded to the railways, the railway land grant penetrated every eligible area of agricultural land in Western Canada. Throughout the whole range of Dominion Lands these odd-numbered sections, whether "fairly fit for settlement" or not, were reserved from homestead entry until 1908. The free-homestead policy was scarcely more than half a policy at best, and the net results must be shared accordingly.

(b) *Larger holdings in semi-arid areas.* From this integration sprang one of the most fortunate features of the Canadian system; and the fact that it may have been largely inadvertent in its origin must not conceal its advantages. In semi-arid areas where dry farming and summer-fallowing proved necessary on a large scale, a half section or more was quickly recognized as a much more dependable unit for successful agriculture. Had all Dominion Lands been open to homestead entry the most eligible areas might have been settled contiguously in units too small for the newer technique. The "landlock" of the eighties may have been a blessing in disguise. The development of larger holdings, even when accompanied by tenancy and absentee administration, has been so marked a tendency that no regulations of land policy in the first instance could

<sup>11</sup> Except for the Hudson's Bay lands in sections 8 and 26.



have withstood it. To that extent at least the "half-policy" of free homesteads provided a fair field for the pioneer's own thrift and enterprise. The normal quarter section was contiguous on two sides to other quarter sections "fairly fit for settlement", for sale cheap and on easy terms to the resourceful settler.

How far present holdings have been accumulated directly from railway lands, school lands, and Hudson's Bay lands or from the amalgamation of free homesteads cannot now be computed; but since the average holding in Saskatchewan in 1926 was 389 acres it is obvious that 229 acres—nearly 60 per cent.—of the average farm was acquired from sources other than an original nucleus of a free homestead. That this was a normal and accelerating tendency seems clear from Figures 27 and 28 (p. 427). By 1921 and 1926 this process of "adjustment" on a large scale was fairly under way. Its initial stages, however, were provided for in the Canadian homestead system itself. When the selection of railway land grants came to an end in 1908 and the whole range of unreserved Dominion Lands was thrown open for homestead entry, this feature of the old system which had been credited with attracting "the best class of people, that is, people with means and ability to carry on farming operations on a considerable scale", was thought worth perpetuating in the pre-emption and purchased homestead system. Drought has since played havoc with vast areas of holdings, large as well as small. The ranch as well as the farm has been devastated by it. But for regions of marginal rainfall this flexibility of expansion must have had a part in holding as well as in attracting "the best class of settlers".

(c) *Function of the free homestead in pioneer settlement.* The earliest function of the free-homestead system in Canada was to attract the pioneer: "Parliament pledged its faith to the world that a large portion of these lands should be set apart for free homesteads for all coming settlers, and another portion to be held in trust for the education of their children." The government was to hold "unfettered in its own hand the lands which it offers free". This was the "impressive fact to the mind of the man contemplating emigration." The technique of the government in this enterprise was much less ingenuous than it seemed. The Dominion could "make millions out of the lands of the Northwest and never sell an acre." "Customs returns . . . trade and commerce . . . manufactures" all reflected the "increase in settlement on the free lands of the Northwest Territories". "Whether with a price or without a price makes little

or no difference". It was "worth the while of the Dominion to spend hundreds of thousands" upon the administration of these lands, "and then to give them away".<sup>12</sup> For the railways, too, the free homestead was frankly remunerative. Traffic was indispensable for solvency, and settlement was indispensable for traffic. The C. P. R. could well afford to "plant a free settler upon every acre belonging to the Government." It could afford also to practise its own precept by selling its own lands rapidly and on easy terms in order to build up remunerative traffic for the railway. With this self-interested and discerning coöperation between government and railway, Western Canada began at last to compete for immigration with the neighbouring republic as the movement of population reached one frontier after another of the public domain. When the hour of Western Canada at last struck, the free homestead which had "primed the pump" for the pioneering stages of settlement now played a part scarcely less distinctive for the decade and a half at the beginning of the twentieth century.

(d) *Free lands, land sales, and rapid settlement.* The function of the free homestead during the period of maximum settlement has been traced in some detail (see Chapter IX, section 5 and Chapter X, section 2) and the recapitulation here must be very brief. Up to 1902 "fully one-half of the settlers . . . actually located on the land in the West", in the opinion of Clifford Sifton, had "not taken up homestead at all."<sup>13</sup> By 1908 the area under homestead was about equal to the area of land subsidies granted to the railways—a little more than 30,000,000 acres. Within eight years the new homestead entries forged ahead until the total area of railway land grants was almost equalled by the area under free homestead in Saskatchewan alone (29,083,000 acres). An area larger than Vermont was "entered" in free homesteads in 1909; twice the area of Connecticut in 1910; more than Delaware and New Hampshire in 1911; nearly the area of Maryland in 1912; more than Massachusetts in 1913; and more than the area of Wales in 1914. Concurrently with this, it must be added, land sales by the railways, the Hudson's Bay Company, and other selling agencies shot up to unprecedented proportions (see Fig. 34 and p. 502). By 1926 the agricultural lands of the Prairie Provinces had been substantially "occupied" (see Fig. 35), though the ominous gap between occupancy and cultivation is very clearly discernible (Fig. 36).

<sup>12</sup> Hon. Frank Oliver, *Debates of the House of Commons*, 1905, pp. 3157 ff.

<sup>13</sup> "The division, I should say, roughly speaking, would be about one-half" *Debates of the House of Commons*, 1902, p. 2981.

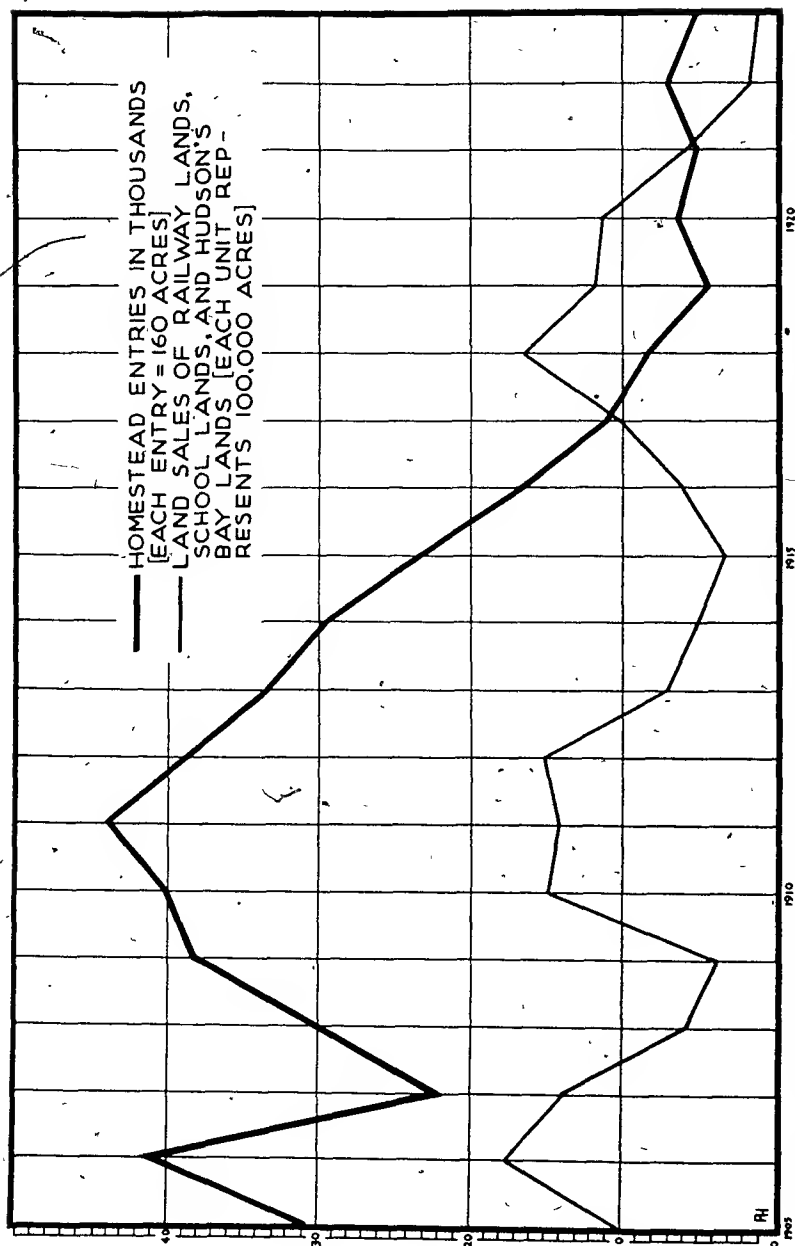


FIG. 34—Graph showing (a) homestead entries, (b) land sales by selected railways, the Hudson's Bay Company and School Lands, from 1905 to 1923.

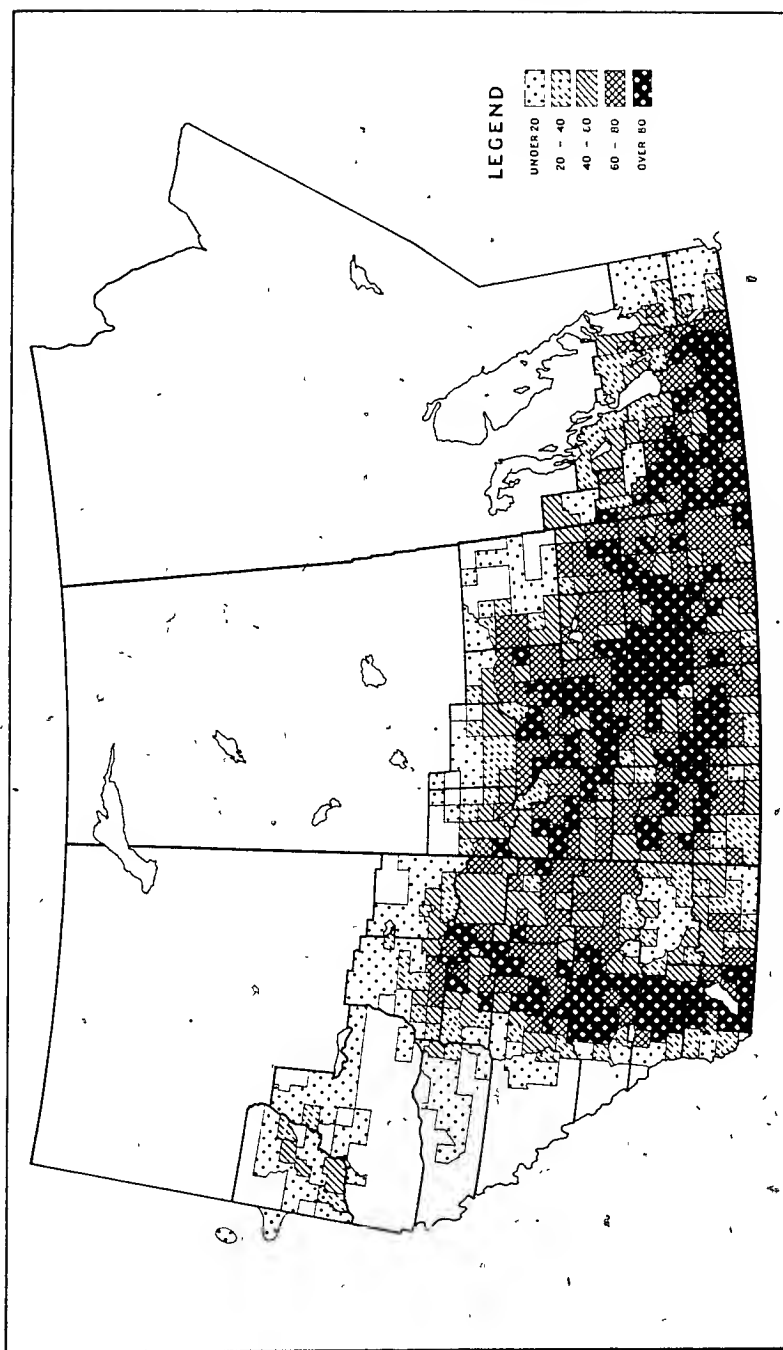


FIG. 35.—Percentage of land occupied in the Prairie Provinces, 1926 (based on the census of 1926). The territorial unit is the municipality.

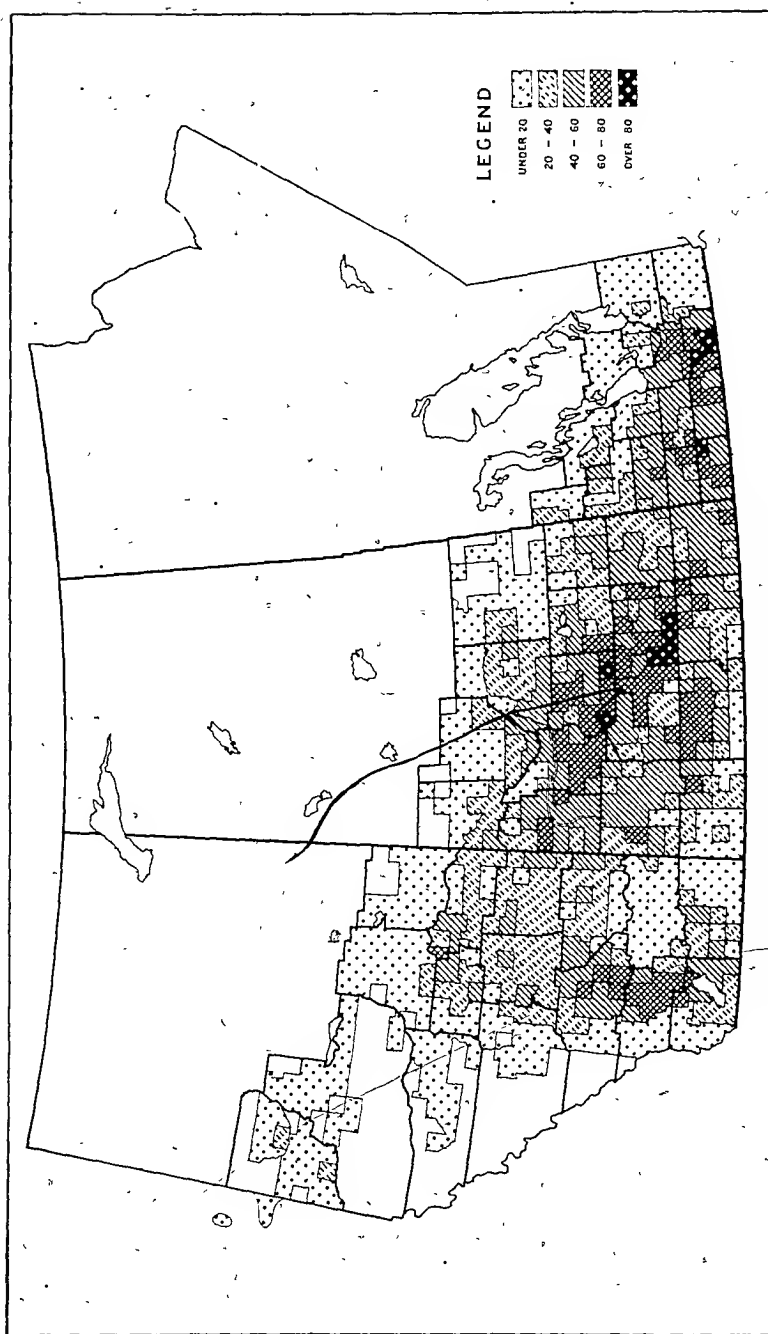


FIG. 36.—Percentage of total land improved in the Prairie Provinces, 1926 (based on the census of 1926). The territorial unit is the municipality.

For the earlier stages of this movement the free homestead functioned virtually as a bonus for railway lands, Hudson's Bay lands, school lands, and the ubiquitous land company alike. The sale of 250,000 acres of homestead lands (the even-numbered sections) to the Saskatchewan Valley Land Company inaugurated the classic demonstration of land sales to the actual settler. All sorts of selling agencies adopted a similar technique. Thereafter the free homestead in conjunction with cheap lands for sale proved to be the "great incentive to the settlement of our country by the best class of people". The popular formula was retailed from buckboard and "democrat" for more than a decade: a free homestead of 160 acres with an adjoining quarter section at \$12 per acre provided the resourceful settler with a 320-acre farm at an average price of \$6 per acre. Less reputable land companies "blanketed" the homesteads in the vicinity by fictitious entries "by attorney", to be withdrawn at the convenience of the prospective purchaser. In such a context the free homestead was scarcely more than a bonus from the government which enabled the enterprising land company to sell its acreage for twice the average price which the settler was willing to pay, and enabled the enterprising settler to secure his half section at an average cost per acre of half the price normally charged by the land company. "Ninety per cent. of the Americans that came in bought land", and about half the Canadians. This could scarcely be called a free-homestead policy of land settlement; but beyond a doubt the free homestead contributed in no small measure to its effectiveness.

(e) *The free-homestead system and the simple homesteader.* For many a settler of more limited resources also the free homestead must have opened the door to a modest competence, and in many instances to prosperity or affluence. Even when the "stream of desirable immigration" with ready capital had passed its flood, the humble homesteader still had his chance. Despite the casualties of the free-homestead system—a record of more than 40 per cent. for the whole period of Dominion Lands, and of 57 per cent. for the period 1911-1931 in Saskatchewan—the attack upon the wilderness was not without its victories. For tens of thousands of homestead entries an unrecorded story of thrift and enterprise must have been enacted upon the frontier. The homesteader was able to invest all his available capital in farm machinery and equipment. With characteristic faith he usually invested his first profits in more land: another quarter or half section on easy terms from the railway or

the Hudson's Bay Company, or from the eight available quarter sections of school lands in his township. He prospered because his free homestead gave him his chance. He was able to buy land from the railway in the years of his prosperity because the government with the benediction of the railway had given him his homestead free in the days of his early privation. The vicissitudes of climate and world conditions have been beyond his control. He has known "booms" and depressions, hail and rust and "bumper crops", rain-fall and drought; but in so far as industry and courage could command prosperity he has found a fair field for his enterprise. This remains more than a counsel of resignation to thousands who still retain the "western spirit" in adversity after the longest recorded drought in their history.

(f) *The permanency of free-homestead settlement.* Measured by the percentage of cancellations between "entry" and patent, the free-homestead system presents a truly appalling record of casualties.

The relative permanency of land sales has already been outlined (see above, section 3 of this chapter), though the conclusion is not always confirmed in detail.<sup>14</sup> The C. P. R. and several other railways have enviable records for permanent settlement. In so far as settlement was made subservient to traffic, permanency was of the essence of the contract. The personal covenant was seldom enforced so long as the purchaser stood by his obligations. Cancellations and revestments of less than 23 per cent. in acreage and 33⅓ per cent. in price indicate a stabilizing and encouraging oversight on the part of the Company. The amortization plan of 1923 (see Chapter V, section 3) was perhaps the most generous ever devised by such an agency.

By comparison with these results the casualties between entry and patent for the free homestead reach alarming proportions. For the whole period of Dominion Lands 40 per cent. (see Chapter X, section 2) would be a conservative estimate. Of nearly 100,000,000 acres under homestead entry less than 59,000,000 acres were duly "proved" and patented or still remained as unpatented homesteads. For the Province of Alberta nearly 16,000,000 acres out of less than 35,000,000 acres of homestead entries were cancelled from 1905 to 1930—nearly 46 per cent. For Saskatchewan about 57 per cent. of homestead entries from 1911 to 1931 were cancelled. To this must be added the vast area of homestead entries duly proved and

<sup>14</sup> School lands, for instance, which were sold, as a rule, at maximum prices during "boom" periods to settlers already established in the neighbourhood, underwent excessive cancellations during ensuing periods of depression. (See Chapter VI, section 6.)

patented only to be sold at the earliest possible moment to the speculator or land company. More devastating still was the acreage technically "proved" and patented by the urban "professional homesteader" or individual speculator, and held, unproductive and unoccupied, for a rising market. Beyond this again was a more poignant category of desolation. By 1921 the trail of the abandoned homestead—wrecks of *bona-fide* enterprise, homestead, buildings, machinery, and not least of all, the five or six years of the homesteader's life and that of his wife and family—was already traceable in Western Canada. By 1926 whole regions showed a ratio of abandoned farms ranging from 10 to 60 per cent. (see section (g) below, and Figs. 37, 40 and 41). The ravages of drought since 1930 are as yet incalculable, but these are subject to no human computation, and "land policy" becomes almost an empty phrase.

Much of this wastage in the aggregate represents not unforeseen disaster but the normal attrition which has gone on unceasingly upon every frontier. Every prairie city, town, or village, has been surrounded at one time or another by a wilderness of unproductive homesteads, "entered" and in many cases patented by urban homesteaders of every occupation—the local barber, the plumber, the grocery clerk, the school teacher, the lawyer, the printer, and the village doctor (see Chapter IX, section 4). Every expedient known to the "professional homesteader" was resorted to in order to circumvent the residence requirements of the Act. This was wasteful enough when the patented homestead could be transferred to the large land company with facilities—in some cases exceptional—for disposing of it to an actual settler. But the "professional homestead" usually went farther and fared worse. The absentee homesteader frequently left his "habitable house" to dilapidation, while his "improved farm" infested the neighbourhood with weeds—the whole quarter section unprofitable for agricultural settlement and a blight upon the urban community which held it in mortmain. Too often the farmer himself surrendered to the spirit of the times and sold his homestead where he could. Every land "boom" carried farm acreage out of cultivation into speculative currency. The process was not better perhaps and certainly not worse than the practice of "commutation" which invited the scathing protests of the Land Office in the United States. In North Dakota by 1903 about 60 per cent. of homestead entries were being "commuted" to purchase, and "not one in a hundred is ever occupied as a home after commutation."



The most serious wastage of the free-homestead system, however, was not in acreage but in human material. The attrition between entry and patent, as we have seen, had nothing to show for itself but the ominous gaps in the patent registers. Much of this may be traceable to haphazard allocation, without the range of choice or scrutiny enjoyed by the purchaser with a little ready capital to invest. The queues of homesteaders lined up for days at the land offices had to take their chances. Beyond a doubt also there was unwarranted optimism which overrode all official restraint when this mass movement gained momentum towards the Western Canadian frontier. Elementary facts of physiography were too often discounted in haste after a "bumper crop", and repentance came too late to forestall disaster. A small percentage of technical "cancellations" may be attributed to the fraudulent practice of "blanketing" homesteads in the technique of the less reputable land companies: fictitious entries, made by attorney, and obligingly withdrawn to make way for prospective purchasers of the adjoining quarter sections. When all allowances are made, however, the "free" homestead has been a costly feature of land settlement. Could its most serious defects have been forestalled by a different "land policy"?

(g) *Much of the preventable wastage of human material is easily criticized after the fact.* In regions so largely sub-humid or semi-arid, not only success but survival itself depends upon the rainfall. The reservation of certain areas for grazing purposes from the outset might have saved many an unwary homesteader from disaster. When it took the form of a conflict of interest between the rancher and the homesteader, scientific data seldom had the casting vote. When a division was at last attempted in 1905 and in 1913 it was the interest of the rancher that was at stake; and the subsequent pressure of immigration too often carried away the barriers, and left the most difficult decision of the frontier to be made by a process of trial and error, by those least fitted to make it or to face the bitter consequences.

From 1876 (39 Vict., c. 19) grazing leases (see Chapter XI, section 2) were made subject to cancellation at two years notice if the lands were required for settlement. Instead of warning off the homesteader from areas of submarginal agriculture, it was thought necessary to warn off the rancher from encroaching upon the range of the free homestead, and to give the homesteader right of way in case of conflict between the two. From 1887 to 1903 open leases were still the rule, terminable for homestead entry at summary notice.

In 1905 (February 15 and July 27) for the first time closed leases were introduced south of the twenty-ninth township in Alberta and in certain corresponding sections of Saskatchewan; but the open lease still left the function of marginal territory indeterminate. Preliminary inspection and supervision (July 27, 1905) went far to differentiate between the ranch and normal agriculture: the official report of the Inspector of Ranches was now necessary for closed leases, but the precaution was still designed to prevent the rancher from overrunning the homestead and not to save the homesteader from courting disaster upon the range.

These were but feeble barriers to the migration which swarmed out upon the prairies during the decade and a half of maximum settlement. In Canada as in the United States all sorts of pressure could be relied upon to destroy official restraint. Until 1908 the odd-numbered sections at least were still reserved for the "selection" of land subsidies by the railways. When the railway land grant system was liquidated by the Dominion Lands Act of that year, the chief concern of the critics of the bill seems to have been to limit the range not of the homestead but of the pre-emption and purchased homestead privileges associated with it. These were finally restricted to a definite tract (roughly from Moose Jaw to Calgary, and from Battleford to the international boundary) and were prohibited altogether in townships in which the railways had selected 8 sections out of the 36 as land subsidies (Figs. 26 and 43). "The great reservations . . . by which provision was made for land grants to railways" were now released, and the whole range of Dominion Lands, unless specifically reserved for other purposes, was thrown open for homestead entry..

The speed with which eligible agricultural lands now approached depletion is indicated in the statistics of homestead entries (see Table XXI). From about 30,000 entries in 1908, the number bounded up to 38,600 in 1909, about 41,300 in 1910, 44,200 in 1911; receding to 38,800 in 1912, about 33,300 in 1913, 29,900 in 1914, and 23,300 in 1915 (see above, Fig. 34). Receding still more rapidly to 16,600 in 1916, 10,900 in 1917, 8,100 in 1918, it sank to less than 3,500 in 1925 and never substantially recovered. The acreage of pre-emptions purchased by these homesteaders bounded also to 2,230,000 acres in 1909, and 2,400,000 in 1910; receding in 1911 to 1,935,000 acres, 1,428,000 acres in 1912, 1,025,000 acres in 1913, 584,000 acres in 1914, and a little over 200,000 acres in 1915. Meanwhile cancellations gained so rapidly upon pre-emption entries that in

1915 in Alberta they stood about equal at 119,000 acres (see Tables XVII and XVIII, pp. 422-423). By the end of the war years the free-homestead system, with its concomitants the pre-emption and the purchased homestead, had practically come to an end.

While little was done to forewarn the unwary homesteader during the deceptive years of supernormal rainfall, there was a final attempt in 1913 to delimit an area in which the "closed lease" for grazing might permanently be maintained. This area as set aside by the Pope Commission of 1912 (see Chapter XI, section 2, p. 440) is shown in Figure 29. It was already apparent that "lands adjacent to leases and unfit for agricultural purposes have been homesteaded with disastrous consequences both to the homesteader and to the rancher". The homesteader was to be allowed to "sell his improvements to a lessee and be given a right of re-entry outside the restricted area." But the chief concern was still for the rancher rather than the homesteader, and the most depressing aspects of the free-homestead system were yet to come.

During the early twenties the acreage of occupied lands and the rural population of the Prairie Provinces were still both advancing in the aggregate, but there were serious recessions. A process more ominous than the wastage between "entry" and "patent", or the drift of the patented homestead to the speculator, was already discernible; and its ravages under the scourge of drought and economic depression have since reached the proportions of a national disaster. By 1926 the abandoned homestead had become a major problem in southeastern Alberta. Several of the census districts showed more than 50 per cent. of once occupied homesteads given over to desolation (see Figure 37). Elsewhere also the same "abomination of desolation" was now traceable. Between the lakes in Manitoba from 20 to 40 per cent. of farm acreage was now abandoned. In Saskatchewan no census division as yet showed more than 10 per cent. of abandoned farms.

But the quinquennial census of 1936 told a different tale. As late as 1931 increases in rural population for the Prairie Provinces are still effectively maintained (Figs. 38 and 39). But the ominous recessions of 1926 in Alberta and Manitoba (Fig. 40) have now spread to southern Saskatchewan—the beginning of a retreat to which no halt has as yet been called (Fig. 41). The ultimate meaning of this retreat it would be rash at the present time to forecast. A devastating drought over vast regions of Western Canada is apt to obliterate ranch and homestead alike; and to obliterate "land

policy" in the process. The most cautious and scientific policy of delimiting the range of the homestead and the ranch in years of normal rainfall—if anything can be called normal in these cycles of abundance and desolation—can scarcely be a permanent remedy for vicissitudes like these.

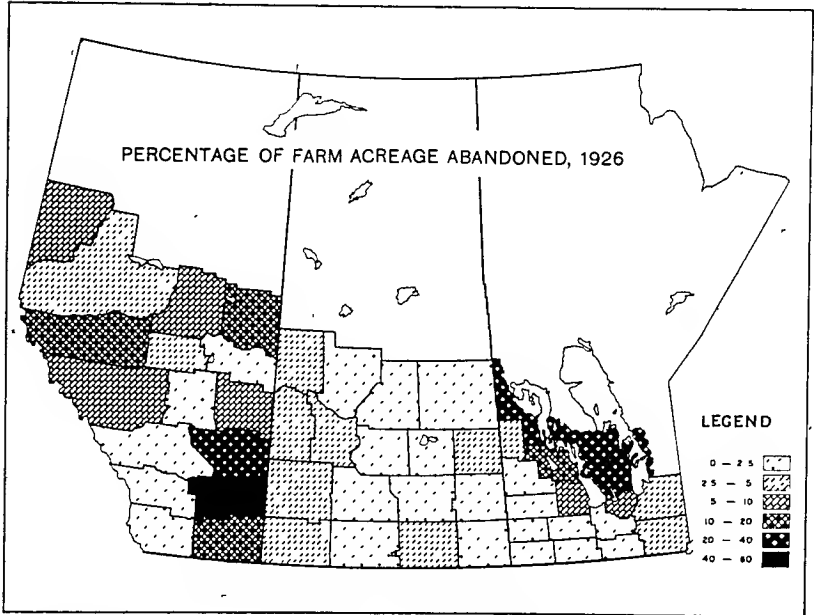


FIG. 37—Percentage of farm acreage abandoned, 1926 (*Statistical Atlas*). The territorial unit is the census division.

It was the boast of provincial counsel before the Saskatchewan Resources Commission that "in thirteen and a half years we produced seven billions of dollars". Dominion counsel (Chapter IX, section 5) conceded this to be "the best contribution to Canadian prosperity that was made in those years. . . . I cheerfully admit that. Oh, for a return of those years!" It is altogether probable that those years will return again with recurring cycles of adequate rainfall. It is equally probable that drought and hail will continue to exact their periodical ravages. Nothing short of a "policy" comprehensive enough to include at least one experience of those vicissitudes can be expected to effect a permanent agricultural economy for Western Canada. There must be a "boom" and a depression, a drought and a season of abnormal rainfall, with its usual consequence, a "bumper crop". Few governments have ever been able

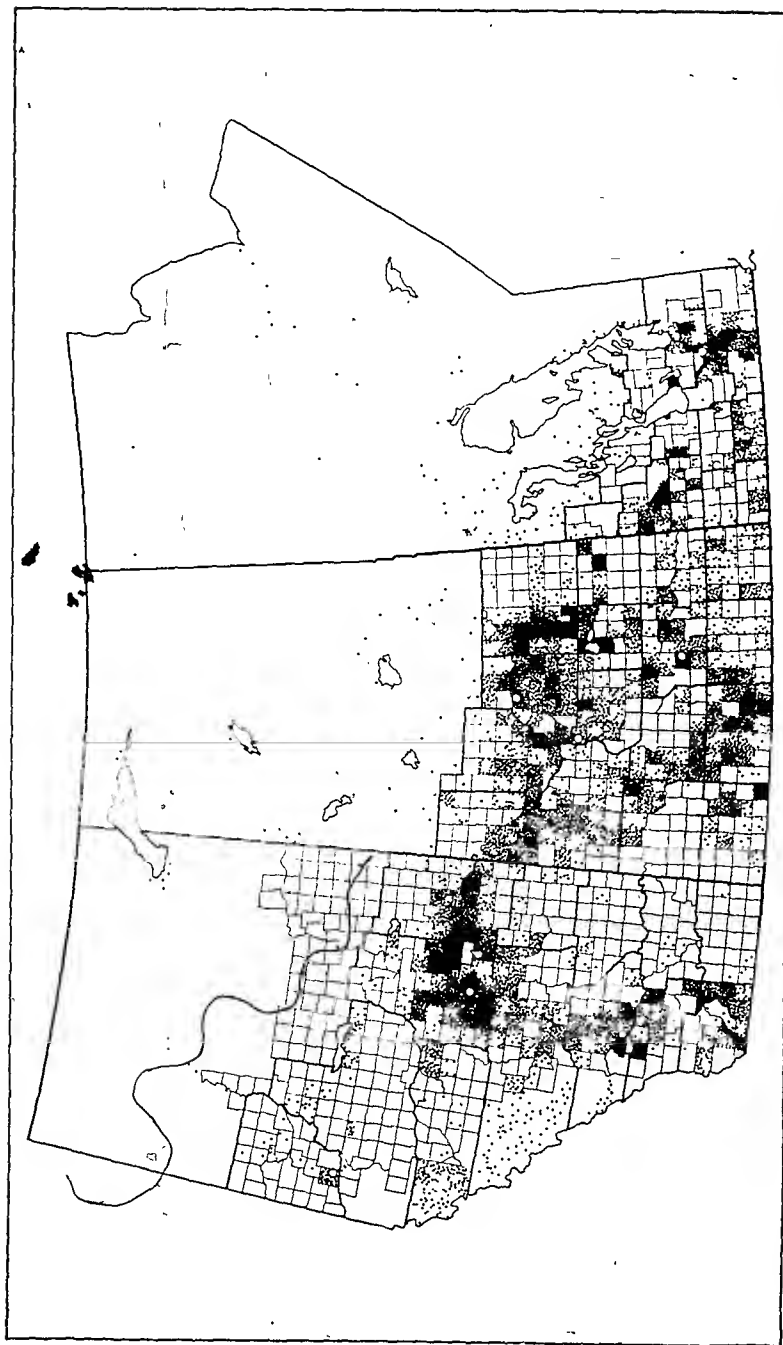


FIG. 38—Increase of rural population, 1921-1926 (*Statistical Atlas*). Each dot represents 10 persons. The territorial unit is the municipality. The dots in unorganized territory have been distributed according to the best information available.

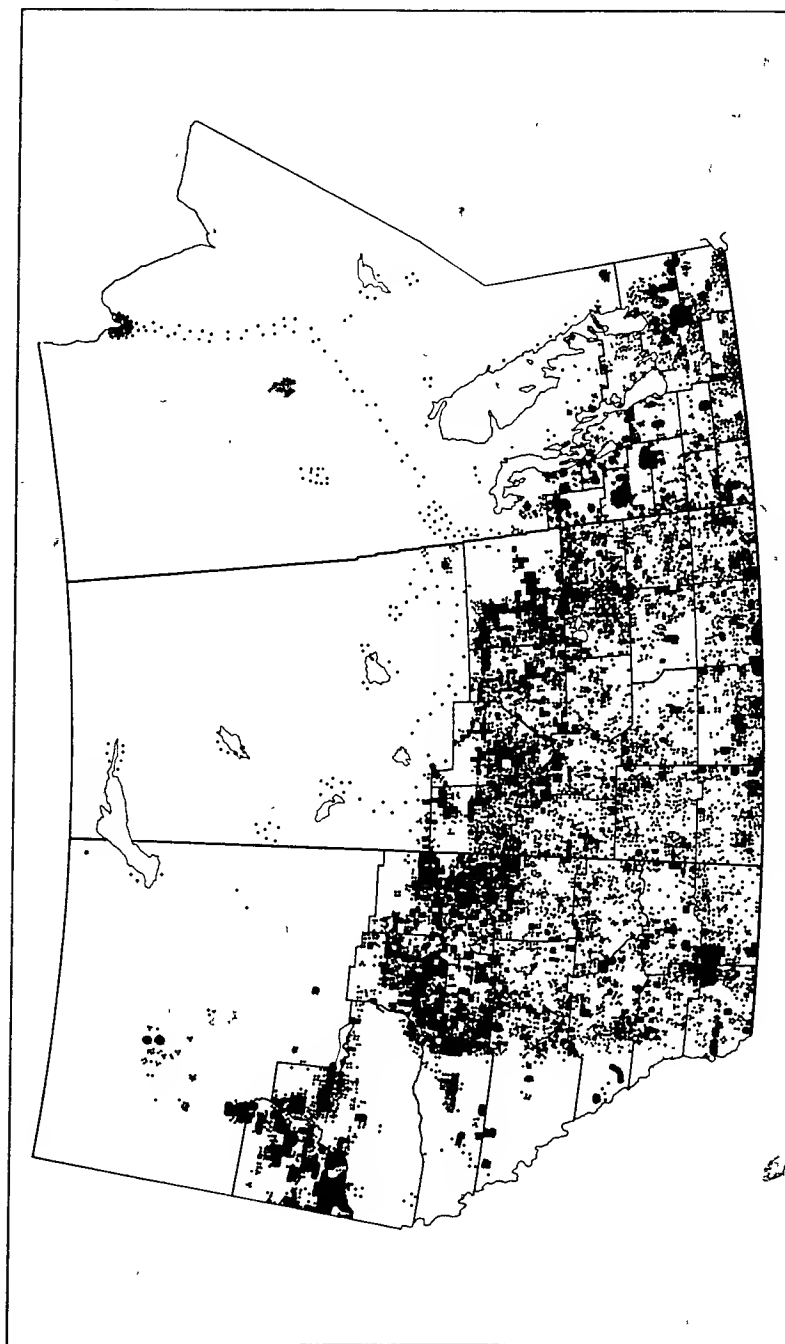


FIG. 39.—Increase of rural population, 1926-1932 (compiled from the census returns of 1926 and 1931). Each dot represents 10 persons. The territorial unit is the township. The dots in unorganized territory have been distributed according to the best information available.

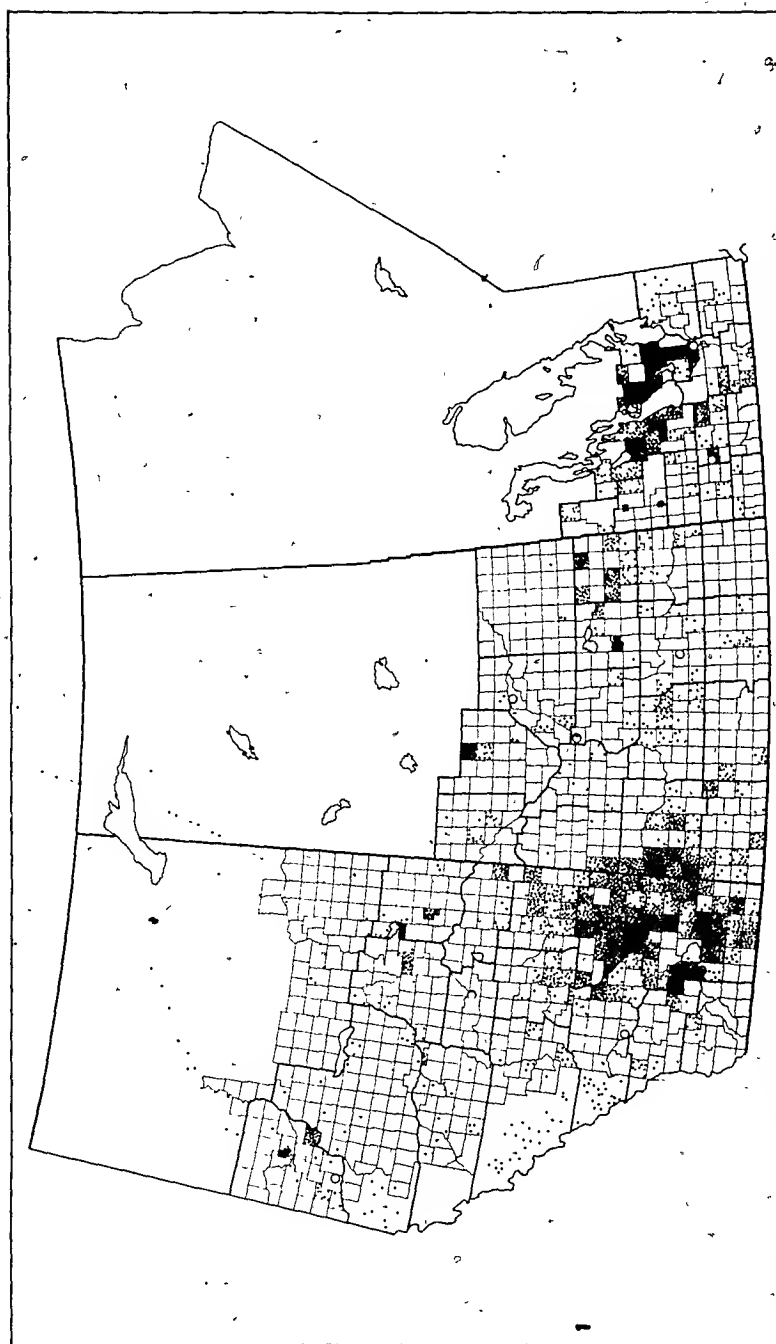


FIG. 40—Decrease of rural population, 1921-1926 (*Statistical Atlas*). Each dot represents 10 persons. The territorial unit is the municipality. The dots in unorganized territory have been distributed according to the best information available.

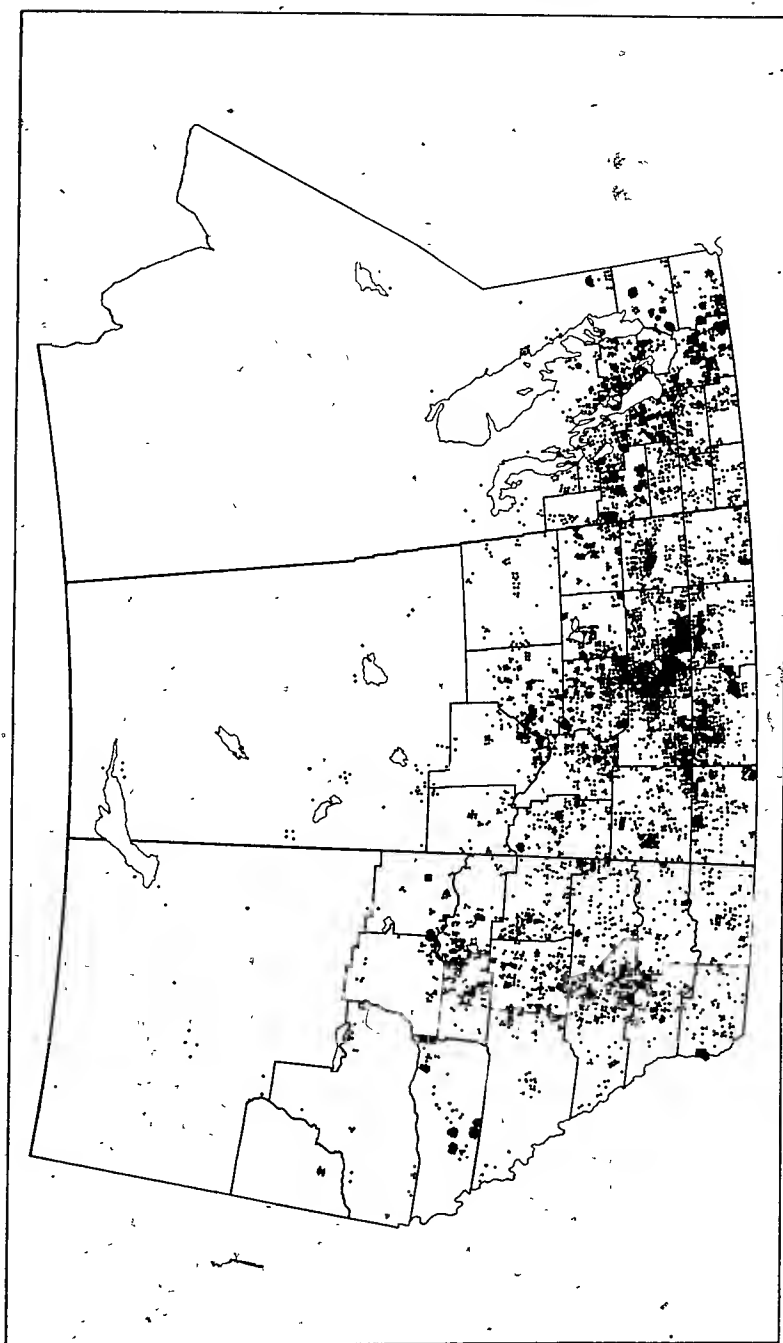


FIG. 41—Decrease of rural population, 1926-1932 (compiled from the census returns of 1926 and 1931). Each dot represents 10 persons. The territorial unit is the township. The dots in unorganized territory have been distributed according to the best information available.



to devise such a "long-distance" technique or to implement it in practice with "men of mortal mould". "Strip farming", improved crop rotation, and summer-fallowing, ten thousand local projects for water conservation, "dug-outs", and a dozen other devices of improved dry farming, will all be indispensable in seasons of sub-normal rainfall. In years of plenty they are all too apt to be dispensed with altogether. Unfortunately the span of human life is too short for many cycles like this. It may become increasingly the task of governments to foresee what cannot be forestalled; to strike a balance between prosperity and depression, and to purvey to the farmer the technique and facilities which he is unable to provide for himself.

#### *6. Provincial Policies and Problems*

This brief recapitulation of Dominion Lands policy might appropriately have concluded with a forecast of provincial policy after the transfer of 1930. Had this survey been published, as originally intended, in 1934, the immediate problems and policies of the provinces might at that time have been stated with considerable precision. Each of the Prairie Provinces had developed strong and efficient administration, recruited as a rule from the Department of the Interior, but intent upon adapting to provincial purposes the technique and experience employed during the cycle of Dominion Lands "for the purposes of the Dominion".

Since 1934 the vicissitudes of drought, shifting markets, and world depression have wrought havoc with Western Canadian agriculture, and have reduced to chaos any attempt to implement permanent land policies. Provincial Land Acts and regulations remain, but the outlook is seriously impaired. The basic problems have long since reached national dimensions, and it will require the closest coöperation between federal and provincial departments to ensure anything like an ordered economy for Western Canada.

It was obvious from the outset that two lines of reorganization would be necessary. One of these was implicit in the altered functions of the public lands themselves: provincial purposes with regard to them were vastly different from "the purposes of the Dominion", and would entail a different technique. The second set of problems was largely a direct inheritance from the Dominion. The federal government, to be sure, had completed its task of settlement in so far as railways and free land could effect settlement, but

a far more difficult and complicated problem remained. Settlement, thrust *en masse* and almost haphazard into rigid quarter sections, had yet to be adjusted or readjusted to the "controls" of scientific agriculture. Over much of this, provincial supervision and enterprise was indispensable—soil surveys, improved agricultural techniques, and a thousand adjustments to local conditions of climate and topography. But interests of almost incalculable national importance are yet at stake; it is safe to say that some of the most imperative "purposes of the Dominion" have yet to be worked out in Western Canada.

(a) *Fiscal functions in provincial policy.* Many of the changes from federal to provincial policies after the transfer in 1930 were dictated by the change in function. The historic purposes of federal administration had been national, and none could dispute their imperative necessity. "The railways have been built and the lands settled." At any rate the lands available for settlement had been alienated; and the settlers, if not permanently adjusted to their environment, had committed their fortunes to Western Canada. The Dominion had long since disavowed any design of raising revenues from Dominion Lands. For the provinces, on the other hand; one of the normal functions of public lands had always been fiscal: at Confederation the "natural resources" had become "the cornerstone of provincial finance."<sup>15</sup>

For two at least of the Prairie Provinces it is now too late to direct into the provincial treasury the proceeds which a dozen other selling agencies have derived in such profusion from the sale of agricultural lands in Western Canada (see above, section 2 of this chapter). But the federal government in retaining the public lands "for the purposes of the Dominion" wisely and justly compensated the provinces in terms which have been underwritten in the settlement of 1930 with all three provinces. Upon these terms the provinces must now rely "in lieu of lands" as a major source of revenue. No device, perhaps, for the settlement of this problem has commanded a wider range of political sanction than the "Saskatchewan terms" of 1905. They were conceded, as we have seen, by a Liberal government at Ottawa, accepted by the two new provinces, claimed by the Conservative government of Manitoba, conceded to Manitoba by the federal Conservative government in 1912, advanced in 1913 as a basis of settlement by all three of the Prairie Provinces, two

<sup>15</sup> *Report of the Royal Commission on the Transfer of the Natural Resources of Manitoba* (Ottawa: 1929), p. 11.

Liberal and one Conservative; underwritten by the Turgeon Commission, and accepted by all four governments concerned in the settlement of 1930. The adjustment of this "compensation" to population—at progressive rates of one, one and one-half, two, and finally three per cent. of the original "compensation fund" in accordance with a sliding scale of population—was perhaps its happiest feature. Had the provinces from the outset developed their lands for fiscal purposes, the proceeds in the aggregate might assuredly have been larger, but the permanent adjustment to the fiscal needs of the provinces could scarcely have been more appropriate and statesmanlike.

In assuming control of the lands that are left for fiscal purposes, after sixty years of Dominion Lands policy, the new provincial administrations have naturally been directed very largely to details of inspection, collections, and cancellations, and other outstanding obligations between the settler and the government. The Department of the Interior, which had wisely subordinated mere fiscal proceeds to other considerations of a "paramount national importance", passed on to all three of the provinces a heritage of arrears in both principal and interest that could never have been defended in provincial policy (see section 4 (c) Chapter VI). In all three provinces prompt measures were taken to remedy these defects. In Alberta a complete survey of school lands sales was made in 1932, and a system of crop assignments put into force with an immediate increase of more than \$100,000 in interest payments. Many sales contracts, hopelessly in arrears, were cancelled and replaced by cultivation or grazing permits. For the cultivated areas the rentals, on a crop-share basis, were applied to the payment of taxes. In 1932 over 400,000 bushels of grain were received in crop assignments or crop leases on school and provincial lands. In Manitoba many school lands sales were found to be carrying arrears "far in excess of the original purchase price". Here also judicious cancellations or readjustments on a crop-share basis were carried out "with every reasonable leniency . . . where there was the slightest chance of the purchaser eventually making good." In Saskatchewan some 2,600 crop leases were taken for arrears on school lands alone, and over 500 cultivation leases on a crop-share basis on cancelled sales. In 1932 and 1933 the wheat accruing to the province from school lands under the crop-share system was more than 375,000 bushels, while nearly a thousand crop leases or

cultivation permits were applied to pre-emptions and purchased homesteads.

In both Manitoba and Saskatchewan the free-homestead system was practically abrogated at the transfer in 1930 in favour of a system of land sales. In Saskatchewan a project of scientific settlement based upon soil surveys, with the balanced farm as the objective instead of the inflexible limitations of the quarter section, had scarcely been launched when abnormal conditions of drought and readjustment intervened. In Manitoba the free-homestead system was formally "discontinued, being replaced by a policy of sale on extended terms." Every attempt has been made to locate new settlement upon lands in organized municipalities available through the process of tax-sales during the depression. There has been no encouragement to settlement "in unorganized territory" or on "land which is not considered suitable for economic development." In Alberta where a modified free-homestead system was retained and may yet function in the Peace River district and elsewhere on a considerable scale, the residence requirements before patent could issue were raised from three to five years (Provincial Lands Act, section 21), and entry was restricted to the settler (male or female) who had already resided not less than three years in the province and was "a British subject or who declares his or her intention to become such." Homestead entry was limited to areas already surveyed and "suitable for agriculture". A "northern" area was delimited by Order-in-Council for general homesteading, but for the southern area, homestead, second homestead, or soldier grant entry was limited to persons with experience of the country, "residing on land owned and occupied by themselves or certain near relatives, within nine miles of the land for which entry is proposed."

Meanwhile a new technique, adapted from the administration of school lands, was applied to land sales in Alberta. Provincial lands were to be sold only by public auction at an upset price after due advertisement. Grazing lands were to be leased only and not sold, and Dominion regulations with regard to community grazing leases, long term (twenty-one year) grazing leases, and other features of the ranching industry were continued with minor variations under the Provincial Lands Act. A new departure was the leasing of provincial and school lands, up to a half section in area, for cultivation on a crop-share basis for renewable terms of six years. Few changes were made in the regulations for timber licences and permits

under Dominion administration were also continued almost unchanged with regard to conditions, rates, and dues; while those relating to petroleum and natural gas remained substantially the same except for the installation of machinery by the lessee to the value of \$10,000 instead of \$5,000, and the expenditure of \$5,000 instead of \$2,000 per year in actual operation on each "group of locations". The usual provincial policy with regard to arrears and cancellations resulted, up to 1934, in the cancellation of more than 15,000 out of 18,863 Dominion leases for petroleum and natural gas, while nearly 300 out of 771 provincial leases since the transfer were also cancelled. Up to January, 1936, the production of scarcely 6,500,000 barrels of naptha and 375,000 barrels of crude oil had been officially reported. But recent developments to a "potential" output of more than 25,000 barrels a day have brought the oil fields of Alberta into major "national importance", and new policies of conservation and marketing may be expected to result.

(b) *Readjustment and Rehabilitation.* The immediate issues before the Prairie Provinces, however, belong to another order, and this second set of problems was in many respects a direct inheritance from the era of Dominion Lands.

The permanent adjustment of rapid immigration is one of the incalculable elements in frontier settlement. No government, perhaps, has ever been able to underwrite piecemeal the prospects of the pioneer. In Western Canada as in the United States the process has been complicated by deceptive cycles of rainfall during periods of maximum migration, and now by the most prolonged crisis of drought and world markets known to western agriculture. In the United States the "squatter" outstripped the surveyor, and the wastage upon the frontier was frequently overlaid by stratum after stratum of subsequent readjustment. In Canada the surveyor at least was well in advance of the settler. But the immediate responsibility of the federal government came to an end with the settler and his homestead entry. When the movement was at its height no more elaborate technique was necessary, perhaps, than "dumping" the immigrant at the railway station, directing him to the queues besieging the local land offices, and leaving the rest to Providence. There were few like Sir Frederick Haultain whose warnings thirty-five years ago against the homesteading of semi-arid areas in the territories still re-echo hauntingly over scenes of desolation in southern Alberta and Saskatchewan.

In the nature of things the federal government, with the best of

intentions, was not equipped to supervise the work of scientific adjustment. It is fair to add that rapid immigration began before two of the provinces were organized; before provincial universities were equipped to attack the numberless problems of soil surveys, crop rotation, accurate meteorological data, and other local controls of scientific agriculture. Beyond these prerequisites again lay other factors for successful settlement which the provinces alone could provide and supervise—schools, roads, and other local facilities for material progress, and a wide variety of social services under municipal organization. As settlement progressed the defects of absentee land administration, however efficient, became increasingly pronounced. Railways and mass settlement might effect the immediate national “purposes of the Dominion”, but closer integration with local conditions and responsibilities was necessary for permanent adjustment. In Alberta the province spent more than \$675,000 in supervising the social and technical conditions of the mining industry, without any direct control over the leasing and administration of the mines.

Nowhere, perhaps, was this disintegration more costly than in the free-homestead system. Railway lands for sale had at least one presumption in their favour: they had been selected by the railway in the first place because they were “fairly fit for settlement”; and the railway which sold the land was usually interested in its productiveness as well as in its price. The purchaser too had both the right and the incentive to scrutinize his purchase more carefully than the homesteader could afford to scrutinize the quarter section which he got for nothing. The free-homestead system looked cheap, but its cheapness was deceptive on both sides. The homesteader who got it for nothing had himself to blame, it seemed, if he sometimes found that it was worth little more than he gave for it; while the chance for which he was prepared to hazard three years of his life could be proved only by the costliest of all methods, the process of trial and error. The federal government, on the other hand, gave the land for nothing and took no responsibility, it seemed, for the consequences. The provincial governments are now confronted by conditions which have become truly national again in their urgency. Of all the penalties exacted for the past, the costliest is that which has to be paid in terms of human lives. Mutual recrimination between the provinces and the Dominion was not in evidence during the “golden age” of western Canadian development, and it would be equally unwarranted now; but Dominion policy which

unwittingly accentuated the present problem can scarcely be absolved from some responsibility for its solution.

The coöperation between federal and provincial agencies in the present crisis measures up to the best traditions of Dominion Lands policy; and since the basic causes of distress were to be found in drought and crop failure rather than in unemployment as such, relief measures have been applied through the Department of Agriculture rather than through the relief agencies of the Department of Labour. Much of this collaboration, in its nature, must be piecemeal and commonplace, directed to the relief of an immediate emergency. But the time was never more opportune for an approach to a long-term project for western agriculture. Much of the data indispensable for the scientific adjustment of an agricultural population to the land is now available in convincing detail for the first time.

For soil surveys and land classification, coöperation between federal and provincial agencies has long been the order of the day.<sup>16</sup> The reports and maps of the Geological Survey of Canada provided much information on surface geology and soil, including a map of the surface geology of Manitoba published in 1931 and another directed to similar purposes for Saskatchewan. Two soil maps, one of the Upper Whitemouth River area in southeastern Manitoba and another of the Winnipegosis district of the province, were also published in 1931 by the Geological Survey. (See Fig. 42, areas indicated "Geol. 1802" and "Geol. 1771".) After the world war the Topographical Survey of Canada surveyed and mapped some seventeen areas to indicate types of soil and the classification of land by quarter sections for purposes of settlement (see Fig. 42, surveys numbered 101 to 603). The provincial universities, meanwhile, had attempted not only surveys for general land classification but detailed soil surveys of great accuracy and thoroughness.<sup>17</sup>

Since 1933 these surveys have been pushed forward with great consistency, stimulated not only by the earlier prospects of agricultural settlement but in recent years by the dire necessity for readjustment and rehabilitation.

Carefully prepared maps of the surveyed areas of Saskatchewan—two for the northern area and two for the south—now show in detail the arable, marginally arable, and non-arable areas of the province. In Alberta similar data may now be consulted for every

<sup>16</sup> See the Appendix on Soils in Volume I of this series, based upon the memorandum of Dr. J. D. Newton of the University of Alberta.

<sup>17</sup> For a list of provincial surveys published up to 1931 see Volume I of this series, p. 206.

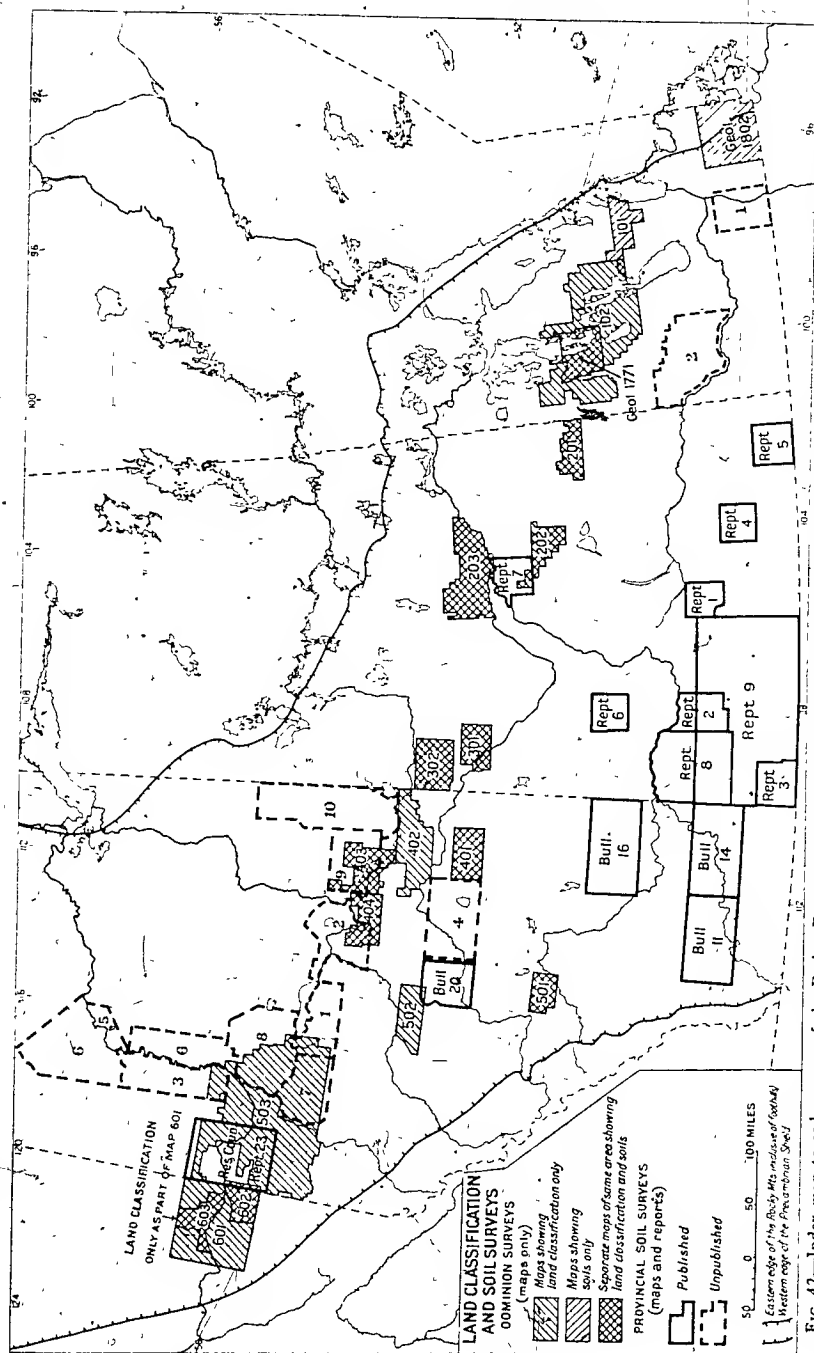


FIG. 42—Index map to soil surveys of the Prairie Provinces as at June, 1913. Surveys numbered 101, 102, 201, etc., to 603, were published by the Topographical Survey of Canada (outlines here shown are based on an index map issued by that office), those designated 'Rept. 1, Bull. 11, etc.', were published by the College of Agriculture of the Universities of Saskatchewan and Alberta respectively (see p. 540, footnote 17), those in Manitoba marked Geol. 1771 and Geol. 1802 were published by the Geological Survey of Canada. The outlines of the unpublished surveys in Manitoba and Alberta, marked 1, 2, 3, etc., are based on a manuscript map by Dr. J. D. Newton.



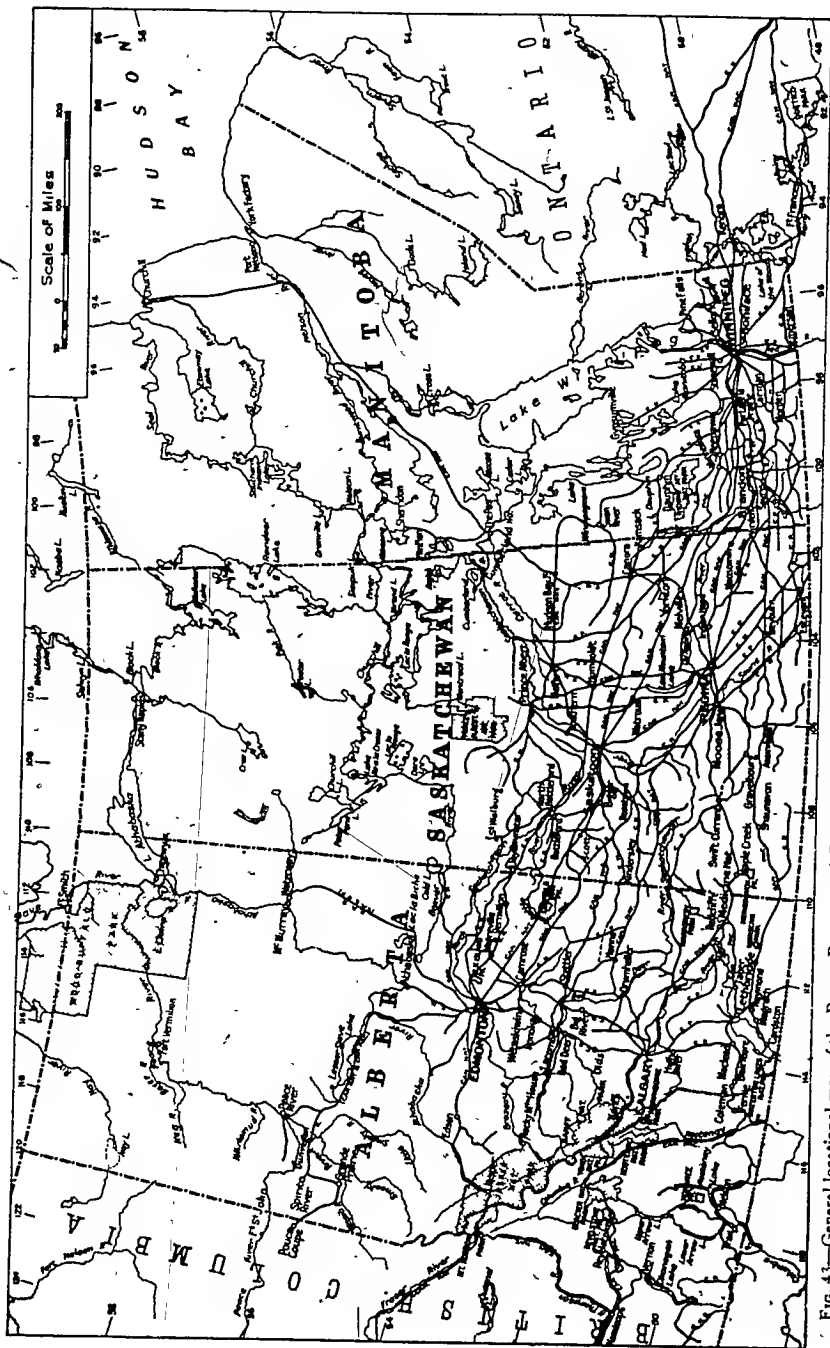


FIG. 43.—General locational map of the Prairie Provinces of Canada showing the principal rivers and lakes, the provincial boundaries, the chief towns and the railways (based on the *Statistical Atlas*).

readjustment of agricultural settlement. Compared with the optimistic forecasts of the first decade of the century, these conclusions with regard to the areas in the Prairie Provinces that must now be classified as definitely non-arable are startling in their scientific accuracy. Much of this acreage had already been broken for grain production, with trails of abandoned farms to commemorate the experiment. The coöperation between the Dominion and the provinces to rescue these areas from desolation by withdrawing all definitely non-arable districts from cultivation will require a long train of patient and persistent policy. Weed infestation alone—one of the gravest menaces of the abandoned farm—will take years to eradicate before these regions can be restored even to successful grazing. Many areas also have been so seriously over-grazed that systematic development will be necessary with grasses adapted to soil and climate. For an industry which depends so largely upon long-term factors of breeding, feeding, and marketing, facilities for water, feed, and shelter over cycles of rainfall and drought will be indispensable.

In default of these long-term coöperative projects in the past, drastic measures to meet the present emergency have become imperative—the immediate marketing of surplus livestock, a supply of fodder for restricted numbers that could not be sold or moved, the payment of 50 per cent. of the freight charges on feeder cattle moved out of the drought area for the winter, the payment in part of travelling expenses to eastern farmers for the purchase of cattle for winter feeding, and the organization of a government grazing reserve at Carberry, Manitoba, with a coöperative market for the sale by auction of breeding and feeder cattle direct to farmers in order to avoid a glut upon the regular markets and stock-yards of the industry. Meanwhile emergency measures have been directed where possible towards the piecemeal improvement of technique and resources, and other long-term projects under the Prairie Farm Rehabilitation Act. Much of the permanent improvement must be sought in this painstaking and meticulous attention to detail. Efficient government machinery for the construction of stock-watering dams and “dug-outs” will narrow the hazards of mixed farming. Storage and irrigation projects—large in number rather than in size, and adapted to the multifarious conditions of climate and topography—may conserve or win back large areas of marginal lands for successful agriculture. Ranges of sub-marginal lands which are definitely to be removed from cultivation are to be fenced;

operated, and maintained by the Dominion for coöperative grazing. The organization of local grazing associations to take advantage of these facilities may prove to be a significant sign of the times.

Primitive settlement was the work of the pioneer. The government was content to waive revenues from Dominion Lands and to dedicate the even-numbered sections to the cause of rapid settlement. "Parliament pledged its faith to the world" to a policy of "free homesteads to all coming settlers", with school lands "to be held in trust for the education of their children." The railways canalized the movement, and the land companies evolved a characteristic technique of their own for speeding the process. This era has now come to an end. Readjustment and permanent rehabilitation will require more than indiscriminate courage and "rugged individualism". Governments are now prepared to offer, and governmental agencies are now equipped to provide, more scientific direction for a national economy in Western Canada. Resourcefulness and enterprise will still be as indispensable as ever on the part of the individual farmer. But on the part of farmer and government alike, there must be a new "sense of duty to the land as a national inheritance."<sup>18</sup> The use of the disc in sub-humid or semi-arid areas, has pulverized the soil to the point where soil-drifting has become a menace to the community. The controls against wind-erosion are to be found only in general practices, devised with expert skill and authority, and applied with loyal intelligence. Tree culture and "strip-farming"; "dug-outs" and small storage projects innumerable for conserving the rainfall; new techniques for "drilling" in deep furrows in order to utilize moisture; new rotations of crops and new species of seed; utopian counsels with regard to mixed farming, and utopian visions on the part of the scientist for "vernalization" and perennial wheat; these and a dozen other challenges to ingenuity may be expected to supplant the hazardous practices of the past.

In due time, no doubt, another cycle of rainfall will obliterate "the long drought", though the results for the present generation will long be discernible in the form of material privation and "starved lives". A vast acreage of excellent agricultural land, long paralysed in the mortmain of private speculation, could be made accessible by a provident system of registration and supervision. In areas like the Peace River district one more "swarming" of migration on a smaller scale may yet be possible in the North

<sup>18</sup>Dr. Cora Hind in the *Winnipeg Free Press*, Dec. 16, 1937.

American hinterlands. But it may be assumed that the technique as well as the era itself of Dominion Lands policy is over. Never was the time more opportune for concerted counsels on the part of federal and provincial governments to safeguard the future of western Canadian agriculture. Never have both been so well equipped, in their own appropriate fields, to exercise expert superintendence; and never, perhaps, has western agriculture, with all its traditions of enterprise and resourcefulness, been so generally disposed to respond to expert direction. In the harmonious collaboration between these federal and provincial agencies lies the best hope for a national outlook and a national recovery. Promise of this recovery, though scarcely larger than a "little cloud out of the sea, like a man's hand", is already discernible in Manitoba and Alberta. In the long run, cycles of rainfall as well as drought must take their course; and recovery, truly national in its proportions, may yet be expected from the recuperative resources of the Prairie Provinces. "The long drought" will not have been in vain if it can result in some approach to a long-term agricultural economy for Western Canada.



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